



Delyth Jewell MS
Chair
Culture, Communication, Welsh Language, Sport
and International Relations Committee
Senedd Cymru

15 December 2022

Dear Chair,

I am writing in response to your letter of 8 November on the Welsh Government Draft Budget 2023-2024.

International Relations

The table below provides a breakdown of the indicative **2023-24** Draft Budget allocation for International Relations.

- Budget Expenditure Line	2023-24 Indicative Draft Budget December 2021	MEG to MEG Transfers	2023-24 Indicative Final Budget March 2022
	£000s	£000s	£000s
International Relations	8,904	(350)	8,554
Action: International	8,904	(350)	8,554
SPA: International	8,904	(350)	8,554

The budget reduction of £350,000 to £8.554m is the result of an agreed MEG to MEG transfer from International Relations to International Development to help deliver Wales and Africa aspects of the International Strategy. The transfer took place in 2022-23 and it will also be actioned in 2023-24 and 2024-25 extending the transfers of £350,000 to the end of

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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 International Strategy. The above table is taken from the published 2022-23 to 2024-25 Final Budget BEL tables.

There has since been a further budget reduction of 2% to the International Relations budget as part of the Welsh Government autumn budget reprioritisations and budget reductions within the MEG. Therefore, the International Relations budgets for 23-24 has decreased from £8.554m to £8.383m (£0.171m reduction).

It has been agreed that as part of the first supplementary budget process for 2023-24, an additional £100,000 will be transferred from the International Relations BEL within the Central Service and Administration MEG to the International Development BEL within the Social Justice MEG to cover inflationary pressures for the Mbale Tree Planting project. This transfer is for the year 2023-24 only. That means that the revised budget for International Relations in 2023-24 will be £8.283m.

The **2021-22** final out-turn for International Relations was £5.861m against a budget of £8.554m - an underspend of £2.692m. This variance is due to delays in the planned reinforcement of the overseas offices and reduced engagement activities throughout the year. Both factors are effects of the Covid pandemic which continues to impact regions around the world at different times.

The International Relations budget for **2022-23** was initially £8.554m. The First Supplementary Budget 2022-23 for International Relations Budget then reduced that budget from £8.554m to £8.537m due to the return to reserves of £17,000 for IAS17 leases. International Relations also agreed to transfer £100,000 to the Economy MEG to support the World Cup marketing campaign, with a focus on values, and a second £20,000 transfer to the Economy MEG to support Welsh artists representing Wales at the Lorient Festival. International Relations will also receive a one off funding allocation from the FCDO of £7,000 to support country based staff pay awards. Resulting in a £8.424m budget for International Relations in 2022-23.

International relations are forecasting a 2022-23 outturn of around £7.9m and therefore an underspend for this year in the region of around £524,000 TBC. It should be noted that there are several variables around this forecast and we will keep it under review. The Covid pandemic has continued to impact our network and engagement this year – although to a lesser extent than in 2021-22.

International Development

The International Development Draft Budget for 2023-24 is £1.275m which is made up of £925,000 from a different MEG under the responsibility of the Minister for Social Justice, plus the above-mentioned MEG to MEG transfer of £350,000 from International Relations to deliver aspects of the International Strategy (Mbale Tree Planting project and women's empowerment projects). As stated above, this transfer will also be actioned in 2024-2025 until the end of the International Strategy.

As part of the supplementary budget process for 2023-24, an additional £100,000 will be transferred from the International Relations BEL within the Central Service and Administration MEG to the International Development BEL within the Social Justice MEG to cover inflationary pressures for the Mbale Tree Planting project. This transfer is for the year 2023-24 only

The International Development budget for 2021-22 was £1.275m, of which only £350,000 was under the responsibility of the First Minister. The final out-turn for the year was

£6.775m with the agreed overspend of £5.5m in 2021-2022 due to the £4m DEC donation to Ukraine and a further £1.5m spent on Covid-related grants of which £0.633m was incurred as capital spend.

The International Development budget for 2022-23 is £1.275m and the forecast out-turn is £1.375m which includes a forecast pressure of £100,000 for the DEC Pakistan floods appeal. This overspend is to be met by underspends in the Social Justice MEG.

The First Supplementary Budget 2022-23 for International Development is £1.275m.

Other information

The International Relations budget for 2023-24 is £8.283m, after the £350,000 MEG to MEG transfer of £350,000 from International Relations to deliver aspects of the International Strategy (Mbale Tree Planting project and women's empowerment projects) and an additional £100,000 MEG to MEG transfer of £100,000 to cover inflationary pressures for the Mbale Tree Planting project is taken into account.

Of this £8.283m 2023-24 International Relations budget, £4.684m has been allocated to the overseas offices running cost budget, £0.75m to the overseas offices activity budget and then £2.849m is allocated to the International Engagement budget.

Within this International Engagement budget of £2.849m, £150,000 has been allocated to the Priority Regional Relationships and Networks Action Plan, £1.3million for Public Diplomacy and Soft Power Action Plan and £190,000 has been allocated to the Diaspora Engagement Action Plan. The remaining budget of £1.21m will be used to fund cross-cutting activity which supports our overarching International Relations objectives and the International Strategy rather than be associated with a particular Action Plan.

The pandemic has had a significant impact on our work given the varied response to the situation across the globe. This has impacted our ability to plan and deliver events, with a number of activities moving online. However, the pandemic has also raised awareness of Wales on the global stage, and there has been interest in Wales' response to COVID-19. Activity is now returning to normal in many parts of the world, with China remaining a notable exception.

Specific areas

International Strategy

Engaging our global diaspora, priority regions and countries, arts and sports organisations and promoting the Well-being of Future Generations partners will continue to be a significant focus for us and we will continue to allocate funding from our international engagement budget in 2023-24 to support this.

We will continue to work closely with our strategic partners to prepare delivery plans for 2023-24 as well as seeking opportunities for cross-collaboration to bolster our delivery of the Strategy.

We expect our strategic partners to submit their engagement and delivery plans in the first quarter of next year and we will consider their request for resources accordingly. We will also continue to work with strategic partners that we do not directly fund but contribute to the delivery of the Strategy.

Wales and Africa Programme

The 2023-24 Wales and Africa budget is £1.375m – with the MEG to MEG transfers of £350,000 and £100,000. The Wales and Africa programme is part of the portfolio of the Minister for Social Justice with £450,000 (via transfers) from the International Relations budget contributing to the Wales and Africa Action Plan.

The £450,00 International Relations funding contributes to a grant of £550,000 to Size of Wales, primarily to deliver the Mbale Tree Planting Programme, with some funding allocated to the Bore Community Forest project in Kenya.

Other commitments within the Minister for Social Justice Wales and Africa budget include a grant of £349,000 for Hub Cymru Africa who themselves determine funding allocation of that grant. The Fair Trade Nation Campaign is resourced from within this grant. It also includes a contract of £286,000 to WCVA to deliver and award the Wales and Africa Small Grants Scheme – grants of between £5,000 and £25,000, a grant of £20,000 to DEC Cymru to assist with their fundraising and co-ordination and £100,000 to deliver the International Learning Opportunities Programme – sending people on 8 week placements to Uganda, Namibia and Lesotho.

International offices

The budget for the International Offices is £5,434,000. This is split into an annual overseas offices running cost budget of £4,684,000 and an annual combined activity budget of £750,000. The overseas offices running cost budget includes office rent, FCDO platform charges and staff salaries and on- costs. The activity budget supports network-wide activity for the overseas offices. We do not set programme running cost budgets for each office as these are managed centrally. The overseas offices are also able to bid into the International Engagement budget to deliver against the action plans and cross cutting activity.

The International Offices deliver against the stated aims of the International Strategy and associated Action Plans, as well as the published remits of the individual offices.

In terms of our engagement with major/international events, we started an 18-month programme of sports diplomacy in August 2022 - looking to capitalise on the opportunities of Wales' qualification at a number of major tournaments across a range of sports including hockey, netball, rugby and football. This began with an event at the Commonwealth Games which saw a focus on women and girls' participation in sport bringing together an international audience to hear from past and present athletes. As part of the FIFA Mens Football World Cup, we have arranged a series of events across the globe aimed at raising awareness and the profile of Wales. Over the next year we will look to maximise sporting opportunities starting with the Hockey World Cup in India in January through to the Rugby World Cup in the Autumn in France. We will also look to prioritise opportunities within Wales including the European Wheelchair Rugby Championships in Cardiff in May 2023. We are also planning engagement at a range of other international events both within Wales and beyond including the Hillary Clinton Global Challenges Summit in Swansea. Soft power, by the very nature of its activity, is difficult to measure but is nevertheless a valuable tool in our international engagement.

If you require further clarification regarding the above, please do not hesitate to contact me. I look forward to further exchanges with the Committee.

Yours sincerely

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

MARK DRAKEFORD