



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

25 January 2024

Dear Delyth,

I am writing in response to your letter of 16 January regarding the 2024-25 draft budget for International Relations.

I have taken the approach of responding to each of your questions in turn which I am pleased to provide below in Annex 1.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford".

MARK DRAKEFORD

ANNEX 1

- **An explanation of the discrepancy of £750,000 as outlined.**
- **Comprehensive breakdowns of planned spending within the BEL including International Engagement and International Offices.**

The £750,000 relates to the funding for 2023-24 for the Overseas Network Activity which has been mentioned within the text of the original letter but omitted in error in the summary calculations.

This funding has now been added back in and the calculations, in line with the draft budget, have been applied to the revised breakdown across the BEL below. The Overseas Operations budget pays for staff and costs associated with the direct running costs for overseas offices, therefore these cannot be reduced. I have also made a commitment to maintain the Overseas Network Activity budget of £750,000, reflecting the impact this relatively small budget makes. This means that only the International Engagement line remains where savings can be made.

International Engagement	£2,658,600
Overseas Operations: including office rent, FCDO platform charges, staff salaries and on-costs	£4,684,400
Overseas Network Activity: activities across the whole network of 21 overseas offices	£750,000
TOTAL	£8,093,000

- **Information relating to outputs, outcomes, impacts and value for money for each area of expenditure within the International Relations BEL**

As referenced in my original letter, the work associated with the International Relations BEL directly contributes to the delivery of the International Strategy and two Programme for Government commitments. Work will focus on meeting the three ambitions of the International Strategy, to raise the profile of Wales overseas, grow the economy and establish Wales as a globally responsible nation.

Activities will support priority relationships and we will also deliver activities being developed under the Wales in India year.

Due to the nature of international relations, tangible outputs and outcomes can be difficult to quantify and measure. The publication of our annual overseas network report is just one of the methods that we use to report on our outcomes.

- **Allocations and comparisons with planned spend for 2024-25 against 2023-24**

	2023-24	2024-25
International Engagement	£2,837,600	£2,658,600
Overseas Operations	£4,684,400	£4,684,400
Overseas Network Activity	£750,000	£750,000
Totals	£8,272,000	8,093,000

- **Information on the apparent increase in the International Engagement budget for 2024-25, including where this money has come from, what activities and outcomes this will deliver.**

The revised figures for the International Relations budget as provided above demonstrate that the £750,000 is in relation to Overseas Network Activity rather than International Engagement.

In line with the reasoning provided to the first question, the full £290,000 savings identified prior to the draft budget have been taken from the International Engagement budget line.

- **Clarification on all spending noted within your written evidence, including projects such as Academi Heddwch.**

Detail of proposed spending were provided in my original letter in line with delivery of the International Relations budget. The details of activities delivered by this funding will be outlined in the annual overseas network report.

Changing global situations can result in the focus of our work and funding changing in-year, therefore we need to remain flexible and responsive.

Strategic partners are currently writing their bids for funding in 2024-25. This includes funding to the Welsh Centre for International Affairs to deliver Academi Heddwch as a Programme for Government commitment. This is included within the International Engagement budget line and does not have a separate budget line.

- **Information on how you have prioritised your spending including what savings you have identified (and the rationale for doing so).**

We have prioritised spend, and therefore savings, based on what we have set out to achieve within the International Strategy and commitments in the Programme for Government.

Officials in International Relations completed a deep dive of the budget requirements for the 2024-25 financial year and £290,000 in savings were identified in addition to the ongoing reduction of £171,000 previously agreed. This resulted in the new budget of £8.093m. As set out earlier, the Overseas Operations budget pays for staff costs and overseas offices are fixed costs and cannot be reduced. I have, therefore, focussed savings on International Engagement given the nature of the budget for the Overseas Operations and reflecting the impact of the work and activities delivered using a relatively small budget for Overseas Network Activity.

- **An outline of further potential challenges and prioritisations you may need to take in future years.**

We know budgets are challenging and will continue to be so; therefore, we prioritise our work to ensure we continue to deliver internationally with those countries and regions where the best outcomes for Wales can be achieved.

Changing global situations can result in the focus of our work and funding changing in-year. We cannot anticipate when, or if, these could occur and consider any such changes resulting in the reprioritisation of funding as they arise. This flexible and responsive approach is taken across all our international activity and has meant that we have been able to respond positively to unexpected opportunities to raise Wales' profile as they arise.

On the involvement and funding requirements of strategic partners responsible for delivering the International Strategy:

- **Confirmation of what steps were taken to obtain key financial information from strategic partners during the Draft Budget's development, and prior to its publication on 19 December 2023;**
- **The Welsh Government's contingency plan if strategic partners report in Q1 that the reduced Draft Budget is insufficient to deliver their responsibilities under the International Strategy.**

We regularly engage with all our strategic partners individually to understand their plans and expenditure. Ahead of the announcement of the Draft Budget in December, we met with all strategic partners to outline the Welsh Government's priorities and to begin discussions around how they may be able to contribute to delivery, potentially in an environment where the budget would be greatly reduced. At this meeting, the financial challenges we are collectively facing were discussed.

We have asked strategic partners to submit their draft proposals for the 2024-25 financial year. We will work across government, and with our strategic partners, to continue to support delivery of the International Strategy. We meet regularly with our strategic partners to monitor progress and financial planning and will continue to do so over the coming financial year.

A breakdown of planned spending on priority relationships identified in the International Strategy for 2024-25

The relationships we have developed with our priority countries and regions underpin all of our international work, from events and visits through to securing inward investment and exporting our goods and services.

Work with our priority relationships covers spend across all areas of International Relations, as well as the wider department and across government. This is reflected in different activities undertaken including, for example, hosting representatives from priority regions at Wales Tech Week, visits to regions such as the Basque Country and Silesia, inward visits by representatives and diplomats to Wales and the ongoing work to develop new relationships when appropriate.

- **The rationale for renaming the International Development BEL as the International Sustainable Development BEL, including what difference this has made to the spending under this BEL.**

The rationale for renaming of the International Development BEL was to more accurately reflect the work of the Wales and Africa programme within this BEL. This also reflects the ambition of the International Strategy to establish Wales as a globally responsible nation.

- **Comprehensive breakdowns of planned spending under the International Sustainable Development BEL.**
- **Why the £350,000 MEG to MEG transfer from the International Relations BEL to cover costs of Wales and Africa does not reappear as an incoming transfer on the 2024-25 Draft Budget.**

The International Sustainable Development BEL will fund the following work in 2024-25:

- Size of Wales/Mbale Tree Planting - £450,000
- Hub Cymru Africa - £349,000
- WCVA Wales and Africa Small Grants £210,000
- DEC £22,000
- Mbale Coalition Against poverty (CAP) £12,500

- Safeguarding contract £6,500

For 2024-25, the £350,000 for Wales and Africa has been included in the International Sustainable Development BEL line in the draft budget. It is for the Minister for Social Justice to decide the appropriate use of budget.

- **A list of emergency appeals supported by the Welsh Government in the 2023-24 budget year, where this funding came from, and current plans for support relating to global conflicts in the 2024-25 Draft Budget.**

The Disasters Emergency Committee (DEC) has not launched an appeal so far in the 2023-24 financial year. Previous donations have been made from either the International Development BEL or the International Relations BEL by either utilising an underspend or by accessing funds from reserves. There is no dedicated budget to respond to emergency appeals.

Any future funding will be considered on a case-by-case basis working in partnership with DEC to support its appeals.

DEC is a coalition of 15 major aid and development agencies that come together at times of crisis to raise funds and then distribute them quickly and efficiently. It has an excellent track record of informing the UK public of global disasters, and the humanitarian aid that is required, as well as setting up easy ways for donations to be received. DEC has an immediate impact, getting aid to people who need it quickly and efficiently.

- **Information on major/international events, including specific budget allocations for 2023-24, and details of any planned events and current planned spending for 2024-25.**

Major events are led by the most appropriate Welsh Government department, with support from International Relations, where appropriate. For example, the work on the Men's FIFA World Cup was led by Sport, whilst the work on the Rugby World Cup was jointly led by Sport and the International Relations Team in France. International Relations does not have a separate budget line for major events, with the work around the recent Rugby World Cup in France coming under the wider objectives and budget of the Wales in France year.