



Delyth Jewell MS
Chair
Culture, Communication, Welsh Language, Sport
and International Relations Committee
Senedd Cymru
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20 December 2024

Dear Delyth

I am writing in response to your invitation to attend an evidence session on 16 January regarding the scrutiny of the International Relations draft budget for 2025-26.

As with the approach taken by my predecessors, I am declining the invitation on the basis that I intend to appear in front of the Committee once every year.

I will meet with the Committee in June to discuss any questions concerning the development of our international engagement work and our approach to international sustainable development.

As the draft budget has just been agreed, I am working through the allocation of funding for individual activities, for example, Wales and Japan, with officials. I am very happy to continue answering any questions by correspondence and will welcome a conversation next year at the annual scrutiny session. Annex A contains my responses to the questions raised in your invitation letter.

Yours sincerely

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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.

Annex A – Responses

Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations

Q1. A breakdown of the 2025-26 draft budget allocations for international relations and international development by MEG, Spending Programme area, Action and Budget Expenditure Line (BEL).

The draft allocations, subject to approval of the budgets are set out as follows:

International Relations	£8,143,000
International Development	£1,050,000

International Engagement (including international short-term attachments)	£2,708,600
Overseas Operations	£4,684,400
Overseas Offices Activity	£750,000
TOTAL International Relations	£8,143,000
International Sustainable Development	£1,050,000

Q2. Final out-turns for 2023-24 and forecast out-turns for 2024-25.

	2023-24	2024-25
Budget (International Relations BEL)	£8,272,000	£8,093,000
Outturn / forecast	£7,708,743	£8,093,000
Budget (International Sustainable Development BEL)	£1,359,000	£1,050,000
Outturn / forecast	£1,358,112	£1,050,000

Q3. Commentary on the Actions within the MEG in relation to International Relations and International Development, including an analysis and explanation of changes between the First Supplementary Budget 2024-25 and the Draft Budget 2025-26.

The work of the International Relations BEL will support the delivery of the International Strategy as well as the activities and support for our overseas offices, including the running costs. This funding supports our priority relationships as well as our strategic partnerships.

Between the first supplementary budget and draft budget, the International Relations BEL has increased by £50,000 to reflect the impact of a 1.3% pay award and the impact of pension contribution increases. The International Sustainable Development BEL has not changed as there are no posts funded through this BEL.

Q4. Comprehensive breakdowns of planned spending within the BEL including International Engagement and International Offices.

The International Engagement budget will provide funding to support the delivery of the International Strategy and action plans, including work with our priority regional relationships, strategic partners and delivering the Wales in years.

This will include delivery of the Wales and Japan year, activities to promote Wales at World Expo as well as the proposed signing of a new MOU with Catalonia and a renewed MOU with the Basque Country.

International offices spend will be in line with the country plans being developed for delivery in the next financial year. These plans are for internal use only and will reflect the economic and cultural priorities for each individual market, as well as maintaining an element of flexibility to adapt to market conditions. All plans will align with the International Strategy and support the delivery of the objectives and action plans.

No additional breakdown or allocation of spend has yet been made as part of this budget to support the delivery of international engagement or the international offices.

Q5. Information relating to outputs, outcomes, impacts and value for money for each area of expenditure within the International Relations BEL.

The work associated with the International Relations BEL directly contributes to the delivery of the International Strategy and action plans. The priorities for the year ahead will be delivered through the revised International Strategy Delivery Plan which my officials are drawing up.

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

Activities undertaken will support the presence of our offices overseas, further develop our priority regional relationships, and deliver activities being developed under the Wales and Japan year. In addition, we are working with the UK Government to deliver two days of Wales-specific activity at World Expo in Osaka.

Value for money is considered for all activities undertaken and the appropriate policies followed when procuring services.

Q6. Allocations and comparisons with planned spend for forthcoming year against the previous year.

	2024-25	2025-26
International Engagement (including international short-term attachments)	£2,658,600	£2,708,600
Overseas Operations	£4,684,400	£4,684,400
Overseas Offices Activity	£750,000	£750,000
TOTAL INTERNATIONAL RELATIONS	£8,093,000	£8,143,000
International Sustainable Development	£1,050,000	£1,050,000

Q7. An outline of further potential challenges and prioritisations the Welsh Government may need to take in future years.

We will prioritise spend and activities based on what will be set out to achieve within the International Strategy Delivery Plan being drawn up by officials. This will set out my delivery priorities for the remainder of the Strategy's extended lifetime. 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.

Dependent on budget allocation in future years, there may need to be consideration and prioritisation of the activities which can be delivered within the International Relations programme and where support can be provided externally.

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.

Other information

Q8. Commentary on the implications of the ongoing effect of the UK's exit from the EU on international relations spending plans, including as it relates to the 'EU transition' BEL.

The EU transition BEL has been closed down and the budget previously associated with this BEL baselined into Welsh Government DRC/Staff Costs BEL in 2024-25. The work continues through the International Relations, Overseas Network and Trade Policy teams using existing resources.

Q9. Commentary on international relations commitments in the Welsh Government's Programme for Government, including draft budget allocations.

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 through our action plans and the forthcoming International Strategy delivery plan, which will set out our priorities for the remainder of this Senedd term.

The two Programme for Government commitments linked to delivering our international relations agenda are:

- Retain the Welsh Government's office in Brussels
- Establish a Peace Academy – Academi Heddwch – in Wales

The commitment relating to our office in Brussels was delivered in March 2023, with the decision taken to renew the nine-year lease in order to continue our work on EU policy, delivering the Trade and Cooperation Agreement, promotion of Wales/Brand Wales, Trade & Invest activity and Regional/Network interests. The Overseas Operations budget includes funding for the lease on the Brussels office.

The commitment to establish a Peace Academy/Academi Heddwch has also been delivered, with funding for our strategic partnership with Academi Heddwch met by the International Engagement budget. Discussions with Academi Heddwch around funding for its work in 2025-26 are still ongoing.

International Strategy

Q10. Allocations and commentary in respect of:

a) A breakdown of the draft budget allocation to deliver the International Strategy.

All activity within the International Relations and International Sustainable Development BELs supports the delivery of the objectives of the International Strategy and associated action plans which provide the frameworks for all work programmes.

This will include delivery of the Wales and Japan year, activities to promote Wales at World Expo as well as the proposed signing of a new MOU with Catalonia and a renewed MOU with the Basque Country. No allocations have been made yet as part of this budget for individual activities such as MOUs or Wales and Japan.

b) A breakdown of the draft budget allocations to deliver the actions of each of the five accompanying action plans for the Welsh Government's International Strategy. This should include further breakdowns of:

- i. resources for external diaspora organisations.**
- ii. resources for each individual delivery partner tasked with supporting the delivery of the strategy.**
- iii. resources for external culture, arts and sports organisations to support the delivery of the strategy.**
- iv. resources aimed at promoting the Well-being of Future Generations Act internationally.**
- v. resources for engagement with priority regions and countries outlined in the International Strategy.**
- vi. resources for 'Wales in' years, with commentary on how the Welsh Government's evaluations of previous years have informed draft budget 2025-26 allocations.**

No allocations have yet been made as part of this budget for the four action plans which are delivered through the International Engagement and International Sustainable Development BELs. The work of the Export Action Plan is funded through the Export, Trade and Inward Investment BEL and is scrutinised separately by the Economy, Trade and Rural Affairs committee and evidence around this BEL has been presented to ETRA by the Cabinet Secretary for Economy, Energy and Planning.

(i, ii, iii and iv) Diaspora and Strategic Partnerships

No allocations have yet been made as part of this budget to support our strategic partners or diaspora.

(v) Priority Relationships

The relationships we have developed with our priority countries and regions underpin all 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

the Circular Economy Hotspot, visits to priority regions and countries including Baden-Württemberg, India, Brussels and Silesia, inward visits by representatives and diplomats to Wales and the ongoing work to develop new relationships when appropriate.

No allocations have yet been made as part of this budget to priority relationships.

(vi) Wales in Years

No allocations have yet been made as part of this budget to support our promotional years. Wales and Japan year in 2025, which will commence in January, will be supported through International Engagement. This year has been developed using some of the recommendations of the Wales in France evaluation, such as early engagement with external stakeholders, and the formation of a stakeholder group with key internal and external representatives who meet regularly in the planning phases of the year. Additional resources have also been brought in on the communications side to support the Wales and Japan year. This includes an internal team member with responsibility for the campaign and engaging external creative agencies, in Wales and Japan, to ensure the messaging and communications is strong. Similar to Wales in France, the campaign in Japan will take advantage of a global event in the World Expo in Osaka and will provide a key focus for the year.

Overseas Offices

Q11. Allocations and commentary in relation to:

a) the work of the overseas offices, and details of what outcomes will be delivered and how delivery of these outcomes will be measured.

The overseas offices of the Welsh Government play a crucial role in promoting Welsh interests abroad. Their work includes fostering trade relationships, attracting investment, and enhancing cultural ties. The success of these initiatives will be measured through a range of indicators, including economic impact assessments, trade volume increases, and cultural exchange metrics. Each office is tasked with setting specific, measurable objectives aligned with the overarching goals of the Welsh Government's international strategy.

More specifically, each country has a published office remit and we have internal country plans aligned to the priorities of the Welsh Government and opportunities in that country. These are cross government plans. There is a common remit to source inward investment opportunities and identify in-market opportunities for Welsh businesses to secure export deals and support the companies on the export journey. All teams undertake joint working with the Department for Business and Trade (DBT) and other partner organisations where appropriate to support Welsh companies in-market.

The international offices also work towards building diaspora networks within their markets. Overseas teams are able to support Welsh exporters by helping them understand the local market; navigate local laws/customs; and find opportunities and 'open doors' where access can sometimes be difficult. The network raises awareness of the opportunities Wales has to offer, particularly in those areas of the economy where Wales demonstrates international class capability including cyber security, compound semiconductors, fintech, life sciences, renewable energy and in value added / next generation manufacturing – thereby promoting Wales' strengths and selling Wales as a place to do business successfully. They proactively seek out potential inward investors that might consider Wales as a location to invest as well as forging and maintaining relationships with the parent companies/HQs of existing overseas investors with operations already in Wales, to reinforce the relationship, demonstrate our commitment to work closely with them and encourage further jobs and growth in Wales.

b) all planned Welsh Government engagement with major international events, including how the cost benefit of engaging with these events is evaluated.

The major Welsh Government engagement in international events for the next financial year will be associated with the Wales and Japan year and World Expo.

St David's Day events are also always a key calendar date for all of our offices; activity is published each year in our annual report on overseas activity. It provides an opportunity to showcase Welsh cuisine, culture, language and build economic relationships with our overseas partners.

The Welsh Government evaluates engagement with major international events by conducting thorough cost-benefit analyses. These assessments consider factors such as the potential for economic growth, opportunities for cultural exchange, and the enhancement of Wales' global standing. By strategically selecting events that align with our objectives, we ensure that our participation yields maximum benefits and delivers measurable outcomes. The recommendations of evaluations from previous Wales in years have been considered in designing the programme for Wales and Japan.

c) the draft budget allocations for individual overseas offices, and on what basis were decisions on these specific allocations made.

The proposed budget allocation for the overseas operations work to support delivery of all operational and logistical elements of the overseas offices including staffing costs is £4,684,400, however this is not broken down to specific offices, and delivered network wide to cover running costs.

A further £750,000 is allocated to the overseas networks split equally between the North America (£250,000), Europe (£250,000) and MENA (£250,000) (Middle East/North Africa) networks, and further amongst the 20 offices. Budgets are not allocated to individual offices, at the start of the financial year, rather they are allocated on a needs basis once activity has been identified.

Allocations for individual overseas offices will be determined based on their strategic importance, historical performance, and alignment with the Welsh Government's international priorities. Each office's allocation reflects its potential to contribute to economic growth, cultural diplomacy, and the promotion of Welsh interests on the global stage.

Wales and Africa Programme

Q12. Allocations and commentary in respect of:

a) resource provided to the projects and organisations supported by the Wales and Africa programme.

For 2025-26, Hub Cymru Africa will receive a grant of £349,000, as agreed in the 3-year grant award that was signed off by the Cabinet Secretary for Social Justice earlier this year. I have agreed a further allocation of (up to) £210,000 towards the Wales and Africa small grants scheme delivered under contract. No allocation has yet been made under this budget for other project activity, but I anticipate that funding will be provided for our safeguarding project support.

b) funding to support the development of pan-African Tree Planting projects, including the existing Mbale Tree Planting Programme.

Options are being considered for funding allocation to the pan-African Tree Planting projects, including the Size of Wales Mbale Tree Programme in 2025-26, now that the International Sustainable Development budget allocation has been agreed. No decision has been made at this time.

c) funding to support Wales as a Fair Trade Nation, and details of what outcomes will be delivered and how delivery of these outcomes will be measured.

A new three-year grant of £349,000 p.a. was awarded to Hub Cymru Africa in April 2024. The Hub Cymru Africa Partnership Board decides on the allocation for Fair Trade Wales to support delivery of the Fair Trade Nation campaign.

In 2023, Wales celebrated the 15th anniversary of being a Fair Trade Nation. The Welsh Government, in collaboration with Fair Trade Wales, the Scottish Fair Trade Forum and the Scottish Government, developed refreshed Fair Trade Nation criteria (set out below); information on this was published earlier this year, setting out the measures and indicators and the assessment process in order to be considered a Fair Trade Nation.

1. there is widespread awareness of Fair Trade
2. there is significant engagement with Fair Trade across different sectors of society
3. there is consumption and production of Fair Trade products
4. there is political support and engagement with Fair Trade
5. inequalities in global trade and society are challenged by Fair Trade