



Delyth Jewell MS
Committee Chair
Culture, Communications, Welsh Language,
Sport, and International Relations Committee
Welsh Parliament
Cardiff Bay
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CF99 1SN

31 October 2025

Dear Delyth

Thank you for your letter dated 21 August 2025 regarding the Senedd Committees' scrutiny of the Welsh Government's Draft Budget 2026-27. I appreciate the opportunity to contribute to the Committee's important work, and I am pleased to provide responses to the requests for information in your letter. These are attached at Annex A.

I note the Committee's intention to follow the Finance Committee's principles of financial scrutiny, affordability, prioritisation, value for money, and budget processes, and welcome the opportunity to provide evidence that aligns with these principles.

I also acknowledge the Committee's plans to seek evidence from the Minister for Culture, Skills and Social Partnership and the Cabinet Secretary for Finance and Welsh Language and will coordinate with them as necessary.

Following the oral evidence sessions, I will ensure that any additional requests for information or clarification are addressed promptly.

Thank you for your correspondence. I look forward to working with the Committee to support its scrutiny of the Draft Budget 2026-27.

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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

International Relations Budget Expenditure Line (BEL)

Q1. Allocations and commentary in respect of:

- (i) Final out-turns for 2024-25.
- (ii) Forecast out-turns for 2025-26.

Spending for the current financial year remains focussed on delivery of the International Strategy and International Delivery Plan. Through impactful activities including our Wales and Japan Year, we are forecasting a full spend reflecting an increasing trend of fiscal stability and planning.

The outturns and forecast are as follows:

International Relations BEL	2024-25	2025-26
Budget	£8,093,000	£8,193,000
Budget after 1 st supp transfer*	n/a	£8,168,000
Outturn / forecast	£7,903,106	£8,168,000

- The 1st Supplementary budget for this current financial year 2025-26 reflected a £75,000 increase on the previous financial year (2024-25).
- At Final budget stage the increase compared to 20225 was £100k, however, this included £50,000 of additional funding for the Wales and Africa Programme following budget negotiations which was initially included against the International Relations BEL 3720 at Final Budget stage, instead of the International Development BEL 7074. This has subsequently been transferred as part of the 1st Supplementary budget.
- Therefore, the increase to the budget for this year is £75,000. This comprises £50,000 to accommodate staff salary rises and an additional £25,000 uplift was provided for National Insurance contributions.
- Following the repurposing of the allocated funds for the Wales and Africa Programme and the additional funding, the final amended budget is now **£8,168,000** (as reflected in the table above). We are forecasting a full spend by the end of the financial year.
- The International Relations BEL budget has not yet been approved but the **indicative** budget for 2026-27 (using the 2026-27 Draft Budget calculations) is £8,179,000. This represents an increase of £11,000 and will be further broken down as follows (this is subject to change):

International Relations Budget Line	Indicative Amount (2026-27)
International Engagement	£2,708,600
Overseas Operations	£4,720,400
Overseas Offices Activity	£750,000
TOTAL	£8,179,000

- The next financial year reflects a transitional period as the International Strategy and International Delivery Plan will come to an end in March 2026 and a new government term will commence in May 2026.
- There will be financial stability through this transitional period. At the strategic level, the three aims of the International Strategy to raise the profile of Wales; to grow the economy; and to establish Wales as a globally responsible nation form the basis of our future planning and spending ahead of decisions about a future approach. These aims are consistent with other international strategies across the world which are to prioritise profile, growth and global responsibility.
- To ensure consistency and certainty a number of actions are already underway. The strategic partners have already been invited to bid for funding for the next financial year, and planning is underway for a Wales and Year which focusses on international engagement and activity in Wales. The International Relations BEL will continue to be used to deliver our international priorities, meaning that more than half is already profiled.
- Work is continuing to review delivery of the actions in the International Strategy and associated Action Plans, and this will continue to inform a future position. The Committee's Inquiry will also support this work.
- There are currently nine bilateral agreements in place with partner countries and regions, and the work to take forward these agreements will continue to be delivered into 2026-27 through the International Relations BEL. We expect to sign additional bilateral agreements in early 2026-27. The 2026-27 draft budget will also fund the activities and support for our overseas offices, including the running costs.

Q2. Comprehensive breakdowns of planned spending within the BEL for:

(i) International Engagement, including the Priority Regional Relationships and Networks Action Plan, Public Diplomacy and Soft Power Action Plan, Diaspora Engagement Plan and Cross Cutting Activity.

- Whilst the Action Plans will no longer be extant, funding is not being allocated against each Plan. However, as set out above, actions are already underway to support our international activity in 2026-27 such as funding for our strategic partners.
- Once new international priorities have been agreed as part of the next government term, a full breakdown of planned spending can be provided.

(ii) Overseas Operations costs by country, including details of what outcomes will be delivered and how delivery of these outcomes will be measured.

- The Welsh Government's overseas offices play a crucial role in promoting Welsh interests abroad. Their work includes fostering trade relationships, attracting investment, and enhancing cultural ties. Each office is currently tasked with setting specific, measurable objectives aligned with the overarching goals of the Welsh Government's International Strategy, through an annual country plan.
- Each country plan is based on a nuanced approach to reflect the market and resourcing available to them and is subject to continuous review to ensure the plans remain aligned to strategic priorities. The plans will contain qualitative and quantitative objectives, including activity targets, with progress measured through a formal monthly reporting process for Senior Officials and Ministers. Scrutiny around

the Overseas Network's Trade and Investment activity is also undertaken by the Economy, Trade & Rural Affairs (ETRA) committee as part of its regular 'general scrutiny of the economy portfolio. New country plans, based on the international priorities set out in the next Senedd term, will set out the outcomes to be delivered by each market, but a common remit is expected to remain, to raise the profile of Wales; to grow the economy; and to establish Wales as a globally responsible nation

- The current Overseas Network structure will be reviewed prior to the new Senedd term, to assess the office locations, and resource allocations. To ensure the network remains strategically aligned with our international ambitions.

(iii) Overseas Network costs by region.

- 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 £4,720,400. Historically, we have been unable to break the costs down accurately at a specific office level, with the ONE HMG Platform cost not provided at an office level. However, Welsh Government, along with other Government partners, has been advocating for the FCDO to improve financial information for a long period, and this is now likely to be in place for the end of this financial year. This information will inform the Overseas Network Review.
- 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 broken down further amongst the 20 international offices, as required. Budgets are not further allocated to individual offices at the start of the financial year, rather they are allocated on a needs basis once activity has been identified to ensure regions are able to respond in an agile manner to activity as it develops.
- 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.

(iv) Information on allocations relating to the International Delivery Plan's 15 key aims.

- The International Delivery Plan (IDP) was developed as a strategy to identify our priority international activity for 2025-26 and was funded through the existing budget allocations. It is not expected that this Plan will continue into financial year 2026-27.

(v) Confirmation of the Welsh Government's delivery partners for 2026-27, with corresponding allocations.

- Our Team Cymru approach to diplomacy reflects that we work together to maximise our impact overseas. This involves work with a wide range of partners. We provide direct funding to four delivery partners. All of these have been invited to submit bids for the next financial year. These have not been confirmed at this point.

Q3. Information relating to outputs, outcomes, impacts and value for money for each area of expenditure.

- Our international priorities are outlined in the International Delivery Plan which will come to an end at the end of this Government term. Our 2026-27 priorities will be agreed in the next

Government term.

- Measuring attendance, reach and engagement at our overseas events is done by, for example, the number of companies attending a trade mission or trade show, the number of investment leads sourced or the value of export deals signed at these events - all provide very tangible outcomes - as do the number of attendees at a diaspora reception or networking event.
- Where it is difficult to measure the outcomes due to the nature of the work, we can use metrics - such as comms - to understand the reach of our activity. Of course, not all our activity can be measured in this way but each of our overseas teams uses social media to promote Wales in line with the ambitions of the International Strategy.
- Work is underway to further enhance our reporting on the impact and benefits of our international relations work, based on the Committee's feedback over the last Senedd term, and lessons learned from delivering the Welsh Government's first-ever International Strategy.
- Soft power, by the very nature of its activity, is difficult to measure, but is a valuable tool in our international engagement. The Committee is aware of the ongoing difficulties in setting quantitative targets for our soft power activity but should be assured that we are working with many other countries to understand their approaches and have identified that measuring international relations or soft power activity is a shared challenge. I am aware that the Committee has been looking to Scotland in terms of its approach, so, Members will be aware of the academics and officials who spoke at length as part of an inquiry in 2023-24 about the challenges of monitoring international relations work.
- The annual overseas network report is just one of the methods that we have used to report on our outcomes; however, I am mindful that these do not always highlight the identifiable benefits that the Committee would have liked to see, so work is underway to examine how we will report on this in the future. In the longer term, officials will consider how detailing plans, and more regular monitoring, can form part of a wider measurement framework. However, I would always urge the ability to retain flexibility to respond and exploit opportunities as they arise.

Q4. Allocations for the Wales and Japan and 2026 promotional years with commentary on how the Welsh Government's evaluations of previous years have informed draft budget 2026-27 allocations. The information should confirm the location of its 2026 promotional year.

- The total budget allocation for Wales and Japan 2025 is £386,470. Due to the way in which activity for Wales and Japan was developed, spend has taken place over the course of two financial years. In 2024-25, £111,470 was spent on Wales and Japan and we are forecasting to spend £275,000 in financial year 2025-26.
- We are developing plans to see 2026 celebrate how our international work has directly benefited Wales with activity taking place here in Wales. This will offer an important focus on legacy following Wales and Years in Germany, Canada, France, India and Japan. This programme is being informed by a piece of ongoing work to look at international events in Wales in 2026 as well as identifying outcomes for Wales of the work of International Relations and the overseas offices over the life of the International Strategy. This will include outcomes of previous Wales year evaluations and engagement with Team Cymru partners which has recommended that some time is given to focussing on legacy. Until this work has concluded and a programme developed, we have not allocated a figure for the 2026 year.

International Sustainable Development

Q5. Allocations and commentary in respect of:

- i) Resource provided to the projects and organisations supported by the Wales and Africa Action Plan.
- ii) Relevant allocations
- iii) relevant allocations associated with establishing Wales as a globally responsible nation.

Budget allocations (including the partner delivery organisations) for the International Sustainable Development BEL in 2026-27 are as follows:

Project	Budget Allocated	Duration of Funding	Reason for Spend
Size of Wales (SoW) / Mbale Tree Planting	£350,000	Grant ends on 31 March 2027	To enable SoW and its local partner the Mount Elgon Tree Growing Enterprise to grow over 29 million trees by 2027 in partnership with the Welsh Government and other funders.
Hub Cymru Africa (HCA)	£349,000	Grant ends on 31 March 2027	To support the development of effective links between Wales and Sub-Saharan Africa.
Small Grants Scheme (Wales Council for Voluntary Action)	£ 309,913.60	Contract and Grant ends on 31 March 2028	To administer the Wales and Africa (WaA) small grants scheme on behalf of the Welsh Government.
Disasters Emergency Committee	£22,000	Grant ends on 31 March 2027	To fund a Wales-based External Relations Manager.
Safeguarding	£6,000	Contract ends on 31 March 2026	To provide expert safeguarding advice to WaA as well as wider International Relations.
Communication, Monitoring, Evaluation and Policy Development	£13,086.40		To be used for Communication, Monitoring, Evaluation and Policy Development.
TOTAL	£1,050,000		

iv) 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.

- Hub Cymru Africa (HCA) is grant funded by the Welsh Government and allocates funds for Fair Trade Wales and the Fair-Trade Nation campaign from within that grant. Details of how the outcomes will be delivered and measured can be found in the Fair Trade Nation Criteria [Report 2024](#), which is published by Fair Trade Wales. Hub Cymru Africa also provides a monthly report, and officials hold quarterly meetings to discuss progress towards HCA's objectives.

Other

Q6. Allocations and commentary in relation to:

- i) International relations commitments in the Welsh Government's Programme for Government, including draft budget allocations.
- There are two Programme for Government commitments for International Relations.
 - The commitment to retain an Office in Brussels was delivered in April 2023 when a new lease was signed. Ongoing costs for the office are met by the wider Welsh Government Estates budget and, as set out above, the ongoing £750,000 activity budget for our overseas network is allocated on a needs basis rather than by individual offices.
 - The second commitment to Establish a Peace Academy/Academi Heddwch in Wales has also been delivered. Academi Heddwch was established in 2020, and Welsh Government funding has supported the delivery of the following:
 - o The Women's Peace Petition Project to conserve, digitise and catalogue the Petition and enables people to actively participate in transcription efforts to create a searchable database of all 390,296 signatories of the Petition.
 - o Recruitment of an Academic Research Lead and Project Development Officer
 - o Events such as the annual Peace Lecture and Peacemakers Awards.
 - o Baseline research pieces - "Wales as a Nation of Peace" and "The Peace Education Review".
 - o Establishment of a Wales Peace Research Network.
 - Academi Heddwch has been a Strategic Partner throughout the delivery of our International Relations activity. As mentioned above, our strategic partners have already been invited to bid for funding for the next financial year.
- ii) The International Learning Exchange BEL as it relates to the Taith programme
- The International Learning Exchange (ILE) Programme budget for 2026-27 is being maintained at the same level as 2025-26. The increase in the ILE Programmes BEL is wholly due to a transfer of £0.160m funding from the Teacher Development and Support BEL (within the Education MEG) for the Lessons from Auschwitz project increasing the total budget for financial year 2026-27 to £6.662m.
 - A one-year extension to Taith was announced in June 2025. This extends the financial commitment to deliver the Taith programme to 2027-28. The programme is regularly assessed in terms of value for money, deliverability and affordability.

iii) The First Minister's responsibilities for 'Wales and Europe', the financial implications of EU exit on Wales, how EU exit has shaped the Welsh Government's Draft Budget in respect of International Relations.

- Wales' relationship with the EU remains hugely important post-EU exit. Retaining the Brussels office is a Programme for Government priority, supported by the appointment of Derek Vaughan as Welsh Government European Representative to rebuild and strengthen institutional ties.
- Engagement with the EU has included meetings with European Commissioners and Welsh Ministers speaking at European Parliament Committees. This engagement has enhanced Wales' profile and credibility in Europe and influenced EU policy-making. For example, Taith has been referenced by EU Parliament and Commission as a positive case study on attracting harder to reach individuals into international mobility. Wales' Wellbeing of Future Generations Act is also noted as an influence behind the decision to appoint the first European Intergenerational Fairness Commissioner.
- The Welsh Government has assumed leadership roles in European networks, including the Conference of Peripheral Maritime Regions (CPMR) and the Vanguard Initiative, driving collaboration with EU regions – further strengthening relationships with our priority European regions and widening our networks in Europe. Adopting these leadership roles has allowed us to contribute to the strategic agenda of these networks and demonstrate Wales' commitment to international action to advance shared policy interests. Our proactive engagement has delivered tangible outcomes, such as Wales' inclusion in a European Parliament-funded project on interregional cooperation, with regional partners from Spain, France, Portugal and Québec. The Vanguard Initiative VINNOVATE fund, launched under our leadership of the network, has created new opportunities for collaborative innovative projects with Welsh and European academic and industrial partners.
- The UK's exit from the EU is expected to reduce trade and productivity, having a negative effect on the economy. According to the Office for Budget Responsibility's latest Economic and Fiscal Outlook, the UK's long-run productivity is expected to be 4 per cent lower, relative to remaining in the EU, with the volume of exports and imports projected to be around 15 per cent lower in the long term.
- The Centre for European Reform found that at the end of 2024, UK trade intensity remained 3.5% lower than pre-pandemic levels. In addition, UK trade volumes have grown just 1% on 2019 levels in real terms, compared with 8% growth in both the G7 and the EU. This highlights the relatively poor trade performance of the UK and Wales since our exit from the EU.
- Latest data for the year ending June 2025 show the value of Wales' goods exports to the EU to be around 10% (£1.1bn) lower than in the year ending June 2019. Over this same period, the volume of goods exports to the EU fell by closer to 39%, suggesting that the reporting of export value in current prices could be masking the true decrease in the volume of exports to the EU.

- Despite exiting the EU, the EU continues to be Wales's biggest trading partner and the largest source of inward investment. Latest data from the rolling 12-month period year to June 2025 shows a significant portion of Welsh goods exports, 56.8%, are destined for EU countries, compared to 48.4% for the UK overall, highlighting that Wales is more reliant on trade with the EU than the UK as a whole, and is likely to be disproportionately impacted by Brexit.
- Accurately identifying and analysing the exact impact of the UK's exit from the European Union is challenging due to the timing of other global events and changes in UK data collection, making it difficult to isolate the effects of the EU exit alone. However, my officials continue to monitor the available data to understand changes to the Welsh economy.

iv) Responding to global conflict and international emergency appeals.

- Budget is not set aside to respond to emergency appeals. Donations to emergency humanitarian appeals are made on an ad hoc basis.