

Paul Davies MS
Chair, Economy, Trade and Rural Affairs Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

24th June 2024

Via email to: SeneddEconomy@senedd.wales

Dear Paul,

Thank you for your letter and additional questions about the framework document.

In our evidence to the Welsh Affairs Select Committee, our Investment Director, Rhian Elston made reference to our investment operating guidelines which are documents internal to the Development Bank of Wales.

Each fund managed by the Development Bank has its own operating guidelines, agreed with the Welsh Government at the outset of a fund, which set out the fund parameters including areas such as investment terms, reporting and sector eligibility.

The guidelines also include a general line that activities which may bring either the Development Bank or the Welsh Government into disrepute are excluded. In practice, and in a very limited number of cases, the view of the Welsh Government about a business activity where a concern has been identified is sought from the partnership team.

As you have noted, in line with the framework agreement, investment decision making is taken independently of the Welsh Government (3.22) and in line with the fund agreements and associated documentation (4.19, 4.20). The corporate plan 2022/27 set out our plans to increase focus on environmental, social and governance (ESG) matters as part of investment decision making (p37) and we became signatories to the UN backed Principles of Responsible Investment in 2023.

I trust this has clarified the arrangements in place,

Yours sincerely,



Giles Thorley
Chief Executive

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Mewn Partneriaeth â
Llywodraeth Cymru
In Partnership with
Welsh Government

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