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Ysgrifennydd y Cabinet dros Gyllid  
Cabinet Secretary for Finance



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref

David Rees AM  
Chair of the External Affairs  
and Additional Legislation Committee

14 December 2017

Dear David,

I am writing to you regarding today's publication of the Welsh Government's policy paper on *Regional Investment in Wales after Brexit*, which forms one of a series of *Securing Wales' Future* papers setting out our vision for Wales once we have left the EU.

The paper marks the first step in the process of designing a new approach to regional investment policy in Wales and sets out some constructive proposals that will form the basis of our discussions and engagement with partners across Wales over the coming months.

As highlighted by the External Affairs and Additional Legislation (EAAL) Committee report into the future of regional policy, Brexit provides an opportunity to revitalise our approach in tackling some of Wales' long-term economic challenges through regional investment policy. Our paper addresses many of these issues, setting out constructive proposals on how a new model for how Wales' regions will be supported post-Brexit.

Within the paper, we make the case for full replacement of the funding currently received via the EU for regional investment post-Brexit and for devolved competence in the area of regional economic development to be fully respected by the UK Government.

The paper also sets out the basis of this new approach, which retains positive elements of our EU legacy (for example, an emphasis on genuine partnership working, evidence-based policy making and multi-annual programming periods), while also exploring new ways of regional working (such as removing geographical inflexibilities, simplifying decision-making, and applying a more risk-based approach to stimulate innovation and greater private sector investment).

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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.

In this paper, we are also reiterating our call on the UK Government to negotiate continued participation in a range of cross-border EU programmes after Brexit, such as Horizon 2020, the European Territorial Co-operation programmes, especially the cross-programme with Ireland, and ERASMUS+ and for the UK to remain a subscribing member of the European Investment Bank. We are therefore pleased that the recent joint report from the UK Government and the European Commission on Phase 1 of the Article 50 negotiations suggests that the door remains open to participating in future EU programmes such as these and we will need to continue to make the case for each. We have also opened up dialogue with the OECD as we look to build on international best practice of regional policy.

Within Wales, I am keen that as many people, businesses and organisations as possible share their views and experiences over the coming months. This is very much the beginning of a process of genuine partnership working and we remain open to new ideas.

Engagement events have been arranged for the New Year (18 January in North Wales and 25 January in South Wales). A set of suggested questions for responses and a short online survey are also being published today to help frame those discussions.

I would like to take this opportunity to offer my thanks and appreciation for the work of the EAAL Committee in this very important area as we begin the development a fresh approach to regional investment policy in Wales. I hope you can see the Committee's views reflected in this paper and I look forward to working with the Committee as our ideas develop further.

*Best wishes,*

*Mark.*

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