

EXTERNAL AFFAIRS & ADDITIONAL LEGISLATION COMMITTEE
WRITTEN EVIDENCE – INQUIRY INTO WALES’ FUTURE RELATIONSHIP
WITH EUROPE AND THE WORLD PART 2

The purpose of this paper is to provide written evidence to support Part 2 of the External Affairs and Additional Legislation Committee on its inquiry into Wales’ Relationship with Europe and the World. Part 2 has re-focused the remit of inquiry, so this paper gives an overview of the Welsh Government’s current approach to external relations and its efforts to grow and maintain our European relationships in the light of the BREXIT vote.

Introduction

The Welsh Government seeks to promote and protect Wales’ place in the world by developing and maintaining international relationships and partnerships, economic links, working with key stakeholders and supporting businesses to deliver tangible outcomes for the people of Wales. It is more important than ever to be engaged internationally to minimise the economic impact of leaving the European Union.

Some of the key issues confronting us as a nation are issues which need to be considered in a broader global context, these include issues like tackling poverty, the impact of digital technology on our lives and privacy, tax evasion, global warming and environmental challenges.

As the deadline for leaving the European Union approaches, international relationships have never been more important. In recognition of this, the Welsh Government created its first ever ministerial post for International Relations in December 2018 to take forward this agenda at this critical time.

In the twenty years since the establishment of devolved government, we have developed strong relationships with other nations, regions and networks across Europe. The possibility of the UK leaving the EU changes the framework in which we operate, but not our ambition: whatever the shape of the future UK-EU partnership.

International Strategy

Leaving the European Union would lead to a radical change in the international trading environment and it would require a stronger partnership approach across Wales, to pull together all of our efforts, to deliver for Wales.

Over the coming months, the Welsh Government will be working with partners to map out a dynamic agenda which supports Welsh business and draws on our country’s impressive range of assets to promote Wales internationally. The work will culminate in a new comprehensive International Strategy that will give Wales a powerful voice in Europe and beyond.

The development of the strategy will be supported by an independent task and finish group informed by wider public consultation, and refined further as our future relationship with the EU becomes clearer. The First Minister and his Cabinet will be invited to provide a steer on the appropriate balance and emphasis between the different activities that we undertake and how they are targeted.

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Overseas Offices

The Welsh Government’s network of overseas offices will potentially play an important role in our approach to external affairs and international relations. Our offices are an important part of our international economic development work as they identify inward investment opportunities and potential customers for Welsh exporters. The network is multifunctional; responsible for contributing to the Welsh Government’s activity in the fields of trade and investment, government relations, tourism, culture and education. The offices provide Wales with a face on the ground, building and maintaining relations, facilitating business meetings and strategic engagement with British posts and where relevant Welsh diaspora around the world.

The overseas offices provide vital support to Ministerial visits overseas, delivering a programme of activity towards enhancing the reputation of Wales as a place in which to invest, do business, work, study and visit.

Partly in response to the challenges, uncertainties and pressures of the UK’s decision to leave the European Union, 2018 saw the biggest expansion of the Welsh Government network to date, with new offices opening in Montreal, Berlin, Doha, Paris and Dusseldorf. The primary focus of the new offices is to identify export opportunities for Welsh based businesses and secure inward investment opportunities. Their work is driven by business plans which tailor activity to the key economic strengths of Wales.

Wales in Europe

The reasons we work in Europe and beyond are varied and mutually reinforcing. Our external relationships and partnerships support our businesses to export and assist us in attracting investment, tourists and students from other European countries.

The Government’s commitment to investing in partnerships in Europe is reinforced by the Future Generations agenda and our aspiration to be a globally responsible Wales with a powerful voice in Europe and beyond, recognised for fairness and sustainability.

European Priority Regions

Since devolution we have formalised government to government relationships with several regions. Over the past year the Welsh Government has: re-signed a Memorandum of Understanding agreement with Brittany; signed new Memorandum of Understanding agreements with the Basque Country and Galicia; and a Declaration of Friendship and Solidarity with the Dutch Province of Noord Holland. We also have a strong, long-standing meaningful co-operation with Flanders.

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These priority regions are important to Wales due to common cultural and linguistic heritage, shared values and common economic and social interests. The international strategy will determine how and if they will constitute a focus for our co-operation activities in terms of governmental activity and partners for collaborative projects supported through the European Territorial Cooperation or other programmes.

Each relationship is different, and therefore our approach and activities currently reflect this diversity.

Ireland is an important partner for Wales economically, culturally and politically. We have a particularly close co-operative relationship through the European Territorial Cooperation Programmes which has strengthened that relationship and built prosperity in our maritime links at Holyhead, Pembroke Dock and Fishguard. The Welsh Government is a fully participating member of the British-Irish Council, established under the Good Friday Agreement, and works closely with the Northern Ireland Executive across areas of devolved policy. In addition, Wales has benefited from wider transnational cooperation through our involvement in INTERREG Atlantic Area and the North West Europe Programme. Brexit presents an opportunity to re-focus and further strengthen these connections and we are pleased that the Irish Government will establish a Consulate in Wales in 2019 recognising the strength of the bilateral relationship.

Participation in European Networks

Our bilateral relationships are also fuelled through joint membership of European Networks. The Welsh Government, and other Welsh organisations, are currently active members of a variety of European networks including the Vanguard Initiative on Advanced manufacturing and bio-based industries, the Conference for Peripheral and Maritime Regions (CPMR), the Regional Network for Sustainable Development, the European Research and Innovation Network; the Network for the Promotion of Linguistic Diversity, the European Network of the Regions and Gourmet Food (REGAL) and the European Regional Health grouping EUREGHA which we chair and which is co-located with our Brussels office.

The participation reflects Wales’ desire to remain very much a positively-engaged European nation, sharing ideas and culture, working collaboratively on economic and academic partnerships, and supporting exchange. The benefits of participation are much more than simply the funding Wales receives.

In order to support the continuing participation of Welsh organisations in European programmes and networks, the Welsh Government established the European Transition Fund. This resource, supported by an initial input of £50 million by the Welsh Government, will allow us to support future engagement following the conclusion of the Transition period. The Government will continue its work to map Welsh engagement in European networks and is exploring, how to support continued engagement from community groups and third sector organisations.

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We also continue to advocate that the UK should participate in EU funding programmes including the Framework Programme on Research and Development, Erasmus, Creative Europe and European Territorial Co-operation post Brexit as these are the tools which enable organisations and individuals to collaborate across frontiers.

The (Evolving) Role of the Brussels Office

The Welsh Government has been pro-actively and successfully engaged in the European arena for over 18 years since the opening of its Brussels Office in 2000, building on the earlier Wales European Centre. The Brussels Office has many years of substantive input to the EU policy and legislative process through working as part of the UK Permanent Representation but also in its own right through the bilateral and multi-lateral relationships. The contacts, connections and understanding of policy issues provide a solid and credible base from which the Brussels Office can evolve positively to maintain Welsh influence irrespective of the final outcome of the negotiation. This will be complemented by continued engagement by Welsh Ministers and senior officials with UK Government in London to emphasise our needs, rights and responsibilities in the post-Brexit world. We will pursue with vigour the possibilities of further support for Wales and Welsh businesses from UK Governmental departments including DFID and MOD.

The focus of the Brussels office’s work has evolved since the referendum and will continue to do so as the UK’s relationship with the EU evolves. Assuming a deal is reached, the UK will continue to have a relationship with the EU Institutions themselves and bodies such as the Committee of the Regions through joint committees and structures. We have committed ourselves to explore all the possible avenues that will facilitate governmental or non-governmental engagement with the EU after Brexit.

Wales also engages with the Council of Europe. This has focussed, in the main, around the European Charter for Regional and Minority Languages, which the UK signed in the year 2000. The Charter represented an important step forward for the Welsh language, in that it outlines a range of overall principles and specific measures designed to promote the recognition and use of the Welsh language and its contribution to the building of a culturally diverse Europe.

The Welsh Government recognises the importance of continued engagement with European institutions, and institutions in the wider international market, following the UK’s exit from the European Union. We have been working closely with internationally facing UK Government departments such as the Department for International Trade and the Foreign and Commonwealth Office (FCO), as well as with UKRep, to ensure continued engagement with EU institutions and Member States. To maximise the effectiveness of our work we will also seek to continue influencing the FCO’s European engagement strategies as they evolve and use the opportunities they will present.

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Increasing Our Engagement in International Organisations

Our engagement with other international organisations including the World Trade Organisation (WTO), the World Health Organisation, the Organisation for Economic Cooperation and Development, the World Bank and the UN and its agencies is increasing and assuming greater importance.

These organisations are sources of data on international best practice, comparators, peer review and analysis which inform our policy development and delivery. They are also fora where Wales can exert influence through raising our profiling areas in areas where we excel.

Once we leave the EU the UK will become a member of the WTO in its own right. This means the UK will represent itself at the WTO, dealing with queries and concerns with other members. The Welsh Government is discussing our role with the UK Government both in terms of influencing the UK position and being “in the room” for matters of devolved competence like the Committee on agriculture. It is important that we maintain compliance with WTO rules in future. Building strong connections with the WTO will be important for Wales and the rest of the UK.

There is limited academic and policy literature on the ways in which sub-national governments in other countries have been involved in international trade negotiations. We will continue discussions with third countries (and their constituent parts, where appropriate) to learn how they operate in relation to such arrangements at present. Norway, Iceland, Switzerland, Canada (and Quebec), Australia and New Zealand are all of relevance. The Welsh Government has pro-actively engaged with these most relevant third country missions over recent years, but especially since the referendum to explore how they operate and will continue this discussion when the nature of the relationship becomes clearer.

Conclusion

The Welsh Government has a challenge to ensure that it, and wider Welsh interests, remains relevant and influential should the UK leave the EU. We need to maintain trading relationships with our most important trading partners and continue working alongside an organisation whose future direction and policy choices on environmental protection, security, trade and funding programmes will continue to influence domestic policy and delivery. Setting out clear and specific priorities which are important to Wales in areas such as the economy, culture, and government relations will help maximise our influence across Europe and beyond, and this will be delivered through the development of a new Strategy.