



17 July 2019

Dear Mick,

The European Grouping of Territorial Cooperation (EU Exit) Regulations 2019

Thank you for your letter regarding the above named regulation.

I am writing to provide a response to your question on why the Welsh Government has decided against making its own regulations in this policy area and why both the Welsh Minister and Secretary of State need to agree to an application from a Welsh Authority.

The EU Regulation on a European Grouping of Territorial Cooperation (EGTC) sets out that the objective of an EGTC is to facilitate and promote territorial cooperation, therefore the operation of an EGTC may not be purely economical in nature. Once established, the EGTC is a legal entity and, although third country membership is allowable, its registered office must be in an EU Member State with the EGTC being considered an entity of that Member State and partly governed by the law of that Member State.

Although participation of an EU Member State does not require a prior international agreement to be signed and ratified by national parliaments, participation of a third country in an EGTC can result in an agreement between the Member States involved and that third country. Therefore, we consider that the reservation under the 'New Schedule 7A to the Government of Wales Act 2006', paragraph 10 (1) and (2) which refers to 'relations with territories outside the United the Kingdom' applies. This means that, where any authority within the UK is seeking to join an EGTC in an EU Member State, there would be a need for an overall decision by the Secretary of State as the Welsh Ministers would not have the legislative competence to create the overall framework for this agreement, despite potentially having the spending/funding powers. For example, in order to enter the arrangement to create an EGTC framework, the reservation is engaged under the revised schedule 7A, as mentioned above. Going forward, whilst Welsh Ministers could then participate under the framework, any modifications would require the input of the UK Government. It then follows that the Welsh Ministers competence would not be broad enough because, although the powers are sufficient to allow participation in an EGTC framework, this would only be the case once the EGTC framework has been set up by the UK Government.

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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.

I hope you find the above a sufficient explanation.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The script is cursive and fluid, with the first name "Rebecca" and the last name "Evans" clearly distinguishable.

Rebecca Evans AC/AM

Y Gweinidog Cyllid a'r Trefnydd
Minister for Finance and Trefnydd