

Welsh Government Response to Recommendations from the External Affairs and Additional Legislation Committee Report: Draft International Strategy

Introduction

For decades, Wales' relationship with the world has been defined by its relationship with the European Union. January 2020 marks the start of a new phase in this relationship and the need for a strong presence to ensure that Wales secures its place on the international stage has never been more important. The same month also saw the publication of a new International Strategy for Wales, which sets out our ambitions for this new relationship with Europe and the rest of the world.

There are still a number of unanswered questions about the shape of the UK's final relationship with Europe as we move into a period of transition. This has meant building a degree of flexibility into the strategy in order to respond as the relationship progresses.

The strategy sets out three core ambitions: raise Wales' profile, grow our economy, and establish Wales as a globally responsible nation. At its heart, the strategy will deliver positive outcomes for the people of Wales; is built on a strong set of values and sets us on a path to a more strategic presence and influence in the world.

I welcome the Committee's report, and the extensive evidence gathering, which has provided valuable input during the development of this new international strategy for Wales.

Detailed responses to the Committee's recommendations

Goals and Priorities of the International Strategy

***Recommendation 1.** We recommend that the Welsh Government's vision statement provides a clear picture of the Government's anticipated 'final destination' at the end of the lifetime of the strategy. It should set out clearly the specific outcomes the Welsh Government hopes to deliver through the strategy.*

Response: Accept

The published strategy sets out three core ambitions to bring together its international work over the next five years. These are:

- We will **raise Wales' profile** on the international stage.
- We will **grow the economy** by increasing exports and attracting inward investment.
- We will establish Wales as a **globally responsible nation**.

It is difficult to set out measurable targets at a time when the relationship with Europe remains in a state of flux. However, the Executive Summary does set out a list of what we hope to achieve over the next five years.

Financial Implications: None

Recommendation 2. We recommend that the Welsh Government outlines in its response to this report how it intends to ensure that other sectors of the economy, in which Wales can show global leadership, are adequately represented by the Welsh Government in its international activities.

Response: Accept

Through this strategy, the Welsh Government wants to promote Wales as an ambitious, globally trading nation that has moved away from its traditional heavy industry based economy and towards an economy that is vibrant, modern and diverse and supports the Welsh Government's ambitions for decarbonisation. The published strategy has identified three sectors to demonstrate that Wales already has the skills and the workforce to achieve this.

In a competitive environment, we felt that it was important to demonstrate global leadership in certain sectors but this is simply a gallery for us to draw attention to. Wales has numerous diverse sectors of which it can also be proud and which can be used to demonstrate its strengths and commercial offering.

The International Strategy supports the priorities outlined in the Economic Action Plan and the two will complement each other to achieve recognition for companies in Wales on the international stage. In particular, the work undertaken by the Welsh Government to develop magnet projects around other industries, such as creative industries, advanced manufacturing and renewable energy, to attract investment into regions across Wales is a key facet of both documents. The strategy clearly sets out that the centres of excellence are for demonstration purposes only and that Wales welcomes investment from all industries. These messages have also been relayed to key partners, such as the Department for International Trade, to promote through its international business support activity.

Financial Implications - None.

Coordination and Delivery

Recommendation 3. We recommend that the Welsh Government outlines how it intends to ensure that its international relations activities are better coordinated both within the Welsh Government, and with those of the UK Government and UK agencies, and whether a formalised mechanism in pursuit of this aim is required.

Recommendation 4. We recommend that the final strategy sets out in greater detail how the Welsh Government will work with civil society organisations wishing to support delivery of the strategy.

Response: Accept

The Welsh Government recognises that it cannot deliver the international agenda alone. Instead, it acknowledges that there is an important role for the Minister for International Relations to play in bringing together the international activity that is undertaken across all cabinet portfolios through this strategy, as well as a wider coordination role around the international work being undertaken by other organisations and civil society.

Through the development of the strategy, it has been clear that there is a desire amongst stakeholders to work together in a positive manner. Constructive engagement with UK Government departments, and its agencies, has already taken place and materials promoting Wales and the Welsh offer around the three centres of excellence are in the process of being distributed across the UK Government network.

The Welsh Government is also working with groups, such as the culture and sport sectors, to bring together their international plans and ensure that we work together to maximise the impact of our overseas activity, where feasible and practical, and raise Wales' profile. The recent Rugby World Cup in Japan demonstrates how well this can be achieved and is a positive model for future overseas events.

The strategy also sets out that two meetings a year will be held to coordinate the activity undertaken by civil society.

Financial Implications – The cost of Communication and Marketing material is being met from existing budgets.

Recommendation 5. *We recommend that the Welsh Government publish a detailed suite of measurable targets and action points to sit underneath the finalised strategy. These could be year on year in order to provide the Welsh Government with enough flexibility to adapt to policy changes at a UK Government level.*

Recommendation 6. *We call on the Welsh Government to set out in its response to the Committee the timeline for the publication of the delivery plans.*

Response: Accept

The published strategy sets out a number of measurable priorities and action points for delivery over the next five years, including:

- Grow the contribution that exports make to the Welsh economy by 5%
- Plant a further 15 million trees in Uganda by 2025
- Develop 500,000 diaspora connections

Much of the activity set out in the strategy is dependent on the benefits of soft power and, therefore is not measurable; however, where possible, activity has been quantified. It is not the intention to publish further detailed plans over and above those that have already been set out in the strategy.

Financial Implications – No additional financial implications. Activity will be met from existing budgets.

International Relationships

Recommendation 7. *We recommend that the Welsh Government outlines in its response to this report what consideration it has given to establishing a permanent presence in the Basque Country, and if not, to outline what alternative steps it intends to take to ensure that the relationship can be strengthened in the absence of a permanent presence.*

Response: Accept

The strategy has identified the Basque Country as a priority regional relationship in Europe. This is reflected through the signing of a Memorandum of Understanding and by our regular contact with representatives of the Basque Government. .

We are yet to make a decision about opening an office in the Basque Country. Before we do this, we want to review the lessons learned from the recent expansion of overseas offices in the last two years. In the meantime, our offices in Paris and Brussels work across southern Europe, including Spain.

Financial Implications – None at this stage.

Recommendation 8. *We recommend that the Welsh Government, in its response to this report, outlines how it intends to take forward our previous recommendation 8, when the International Strategy is finalised.*

Response: Accept

The Welsh Government is committed to regularly reviewing the effectiveness and performance of all of its activity, including the work undertaken by our overseas offices. The Committee will continue to receive its quarterly reports from the overseas offices. Much of the activity undertaken by the overseas offices during the final quarter of each financial year is focussed on the effective delivery of the annual global St David's Day programme, which is arguably the largest coordinated series of events undertaken by the Welsh Government, and the pinnacle of its international calendar. Therefore, the Welsh Government believes it is appropriate for the revised key performance indicators should be used from Quarter 1 of the next financial year, 2020-21.

Financial Implications - None.

Recommendation 9. *We recommend that the Welsh Government update us on the exploratory work that it has undertaken with the European Union and others to ensure Wales' continued participation in European programmes, in devolved areas, after Brexit.*

Response: Accept

The Welsh Government has been exploring its continued participation in a number of European programmes including the research and innovation fund Horizon 2020, Erasmus+, Creative Europe and European Territorial Co-operation, which includes the £100m Interreg Wales-Ireland programme . The outcome of these discussions will be dependent on a number of factors that will be determined during the transition period. For now, the Brussels Office will continue to engage and attend meetings and the Committee will receive an update on this work as these discussions progress.

Financial Implications - None at this stage

Recommendation 10. *We recommend that the final strategy should provide clarity on the future role and activity of the Welsh Government's Brussels office in light of final shape of Brexit.*

Response: Accept

The published strategy sets out importance of the Brussels office in maintaining and strengthening our future relationship with the European Union and organisations. At this stage, it states that the role of the Brussels Office will need to evolve as further clarity is gained on our relationship. Further information on the role of the Brussels Office will be provided to the Committee in due course.

Financial Implications – None at this stage.