

Report on the Welsh Government's Draft International Strategy

December 2019

Background

1. In our report on Wales' future relationship with Europe and the world we called for a new and ambitious strategy for how Wales engages with the world. Following her appointment, the Minister for International Relations and the Welsh Language stated that it was her intention to bring forward a new international strategy, which was published in draft form on 31 July 2019.
2. The Welsh Government then consulted on the strategy, and published a summary of responses on 22 November 2019.
3. The strategy has three key goals:
 - raising Wales' international profile;
 - increasing exports and inward investment; and
 - showcasing Wales as a globally responsible nation.

Evidence gathering

4. In order to inform our work on the draft international strategy, we held scrutiny sessions with the Minister on 10 June, 23 September and 18 November 2019. We also held a roundtable discussion with an expert panel on 21 October 2019, involving:
 - Dr Kirsty Hughes - Scottish Centre on European Relations;
 - Dr Rachel Minto - Cardiff University;



- Dr Elin Royles - Aberystwyth University; and
- Susie Ventris-Field - Welsh Centre for International Affairs.

5. These sessions enabled us to build on the considerable evidence base received as part of our previous work on Wales' future relationship with Europe and the world. The findings of that report included the need for a new strategy, with measurable targets; the need to coordinate activities across the Government and in a way that involves civil society; and set out how the Welsh Government should look again at the work of the international offices in the light of Brexit and wider changes.

6. We are grateful to all who contributed to our work.

1. The goals and priorities of the draft strategy

Overall approach

7. As outlined above, the draft strategy has three broad goals: to raise Wales' international profile; to increase exports and inward investment; and to showcase Wales as a globally responsible nation.

8. Dr Kirsty Hughes and Dr Elin Royles agreed that the draft strategy could be more ambitious.¹ Dr Royles said that the strategy was also "too prescriptive in parts," arguing that the strategy needed to give more freedom. Dr Royles said:

"[...]if we know what the underpinning principles are for decisions, then it gives you far more flexibility rather than saying what specific plans are or what kind of specific collaboration is going to happen."²

9. During our expert panel, Dr Kirsty Hughes argued that "a clear European strategy that I would think should really be at the heart of an international strategy for a European country" was missing from the document.³ Dr Hughes made comparisons between the strategies of Bavaria and Quebec at either end of a spectrum:

"Bavaria has a very broad EU-influencing strategy, whereas if you look at Quebec, it's got a very trade and investment-focused strategy. And I

¹ Record of Proceedings, [paragraphs 119 and 125](#) – 21 October 2019

² Record of Proceedings, [paragraph 132](#) – 21 October 2019

³ Record of Proceedings, [paragraph 106](#) – 21 October 2019

wonder where you see your strategy lying on that spectrum. And maybe it's a little bit nearer the Quebec end than it needs to be. Nothing wrong with the Quebec strategy; it's just I think there's scope to add to it in the same way that maybe I'm saying there's scope to add to yours.”⁴

10. Dr Kirsty Hughes told us that the draft strategy was good at summarising “the key characteristics of Wales” and in particular praised the way in which annexes to the strategy brought together a list of networks, priorities and memoranda of understanding in one place.⁵ However, she added that there were many areas where the strategy could stand to be more ambitious and argued that the document may focus too much on trade and investment.⁶

11. On 22 November 2019, the Minister issued a Written Statement to mark publication of the summary of consultation responses that the Welsh Government had received.⁷ In the Written Statement the Minister outlined a number of additional actions she intended to take including the introduction of “a vision statement at the beginning of the document to express the Wales we expect to see in 5 years.”⁸

Centres of excellence

12. Sitting alongside these goals, the draft strategy states that the Welsh Government will showcase three distinct industries as ‘centres of excellence’. They are:

- cyber security;
- compound-semiconductors; and
- creative industries, specifically television and film.

13. During our session on 23 September, the Minister explained that the rationale for choosing these three sectors included “changing the perception of

⁴ Record of Proceedings, [paragraph 108](#) – 21 October 2019

⁵ Record of Proceedings, [paragraph 118](#) – 21 October 2019

⁶ Record of Proceedings, [paragraph 119](#) – 21 October 2019

⁷ Welsh Government, Written Statement ‘[Consultation Response to the Draft International Strategy for Wales](#)’ – 22 November 2019

⁸ Ibid.

Wales” and “linking up with the priorities of the city regions and of the economic action plan”.⁹

14. In further correspondence to the Committee on 5 November, the Minister said:

“The key industries will help us highlight to the wider world the skills on offer in Wales. They are also areas where expertise already exists in Wales; where companies are already at the forefront of production and development. There is a solid basis on which we can build further excellence in these three distinct areas, in the face of the challenges posed by Brexit.”¹⁰

15. In the Written Statement, the Minister said that:

“Whilst the majority of respondents agreed wholly or in part with the choice of the three showcase centres of excellence, there was a strong agreement that more clarity was needed about why these sectors have been chosen. It was also stated by a number of respondents that this approach could be seen as restrictive in terms of attracting investment from other sectors and supporting research and development.”¹¹

16. During our roundtable session, Susie Ventris-Field raised concerns around the commitment to “values and rights” of two of the centres of excellence. In particular she noted that the cyber security industry “does have some connections with companies that, perhaps, haven’t got strong records in human rights issues”.¹²

17. Dr Rachel Minto of Cardiff University questioned how the centres of excellence would match with the equality goals of the Well-being of Future Generations Act 2015.¹³

⁹ Record of Proceedings, [paragraphs 27 and 29](#) – 23 September 2019

¹⁰ [Paper to note 1: Correspondence from the Minister for International Relations and the Welsh Language](#) – noted on 11 November

¹¹ Welsh Government, Written Statement ‘[Consultation Response to the Draft International Strategy for Wales](#)’ – 22 November 2019

¹² Record of Proceedings, [paragraph 149](#) – 21 October 2019

¹³ Record of Proceedings, [paragraph 152](#) – 21 October 2019

18. Dr Elin Royles told us that there were risks in being “so prescriptive” and argued for “an approach that would identify a criteria by which you’re going to identify which sectors or industries you’re going to prioritise”.¹⁴

19. In terms of the wider context of Brexit, and the development of the strategy, including the rationale for choosing the three centres of excellence, the Minister told us that:

“[...]one of the things that I've been looking to do is to see how we can Brexit-proof this international strategy. It's a really difficult time to be writing an international strategy, when you have no idea what the relationship with your nearest neighbours is going to be. And, so, what I've been trying to, in particular in relation to inward investment, is to say 'Look, where are the areas that we have genuine global leadership? Where are the areas where, irrespective of what happens with Brexit, we will not be impacted in those specific areas?' I've been looking at what those areas are, and technology is key. They are some of the areas that I'm looking at, but it will be much more specific than that.”¹⁵

20. In her Written Statement, the Minister indicated that the three centres of excellence identified would remain following the consultation, but that more information on the rationale for choosing these would be included in the document.¹⁶

Our view

21. We broadly agree with the three goals identified by the strategy. However, we share the concerns of stakeholders that the document could be more ambitious. We note that the Minister intends to include a vision statement in the final strategy and hope that this will go some way to addressing this concern.

22. In keeping with the findings of our previous report, we agree that more could be done to maximise the potential of Wales’ soft power, particularly in terms of our distinct assets such as the Welsh language and Welsh culture. We would therefore expect the final strategy to better reflect this.

¹⁴ Record of Proceedings, [paragraph 155 and 141](#) – 21 October 2019

¹⁵ Record of Proceedings, [paragraph 30](#) – 10 June 2019

¹⁶ Welsh Government, Written Statement [‘Consultation Response to the Draft International Strategy for Wales’](#) – 22 November 2019

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.

23. We note the effect that continuing Brexit uncertainty is having on the task of developing the Welsh Government's new international strategy. Furthermore we note that one of the rationales behind choosing the centres of excellence was that they are 'Brexit-proof'. We are concerned about the implications that this decision may have on other sectors of the economy where Wales is able to show global leadership, for example in advanced manufacturing and higher education.

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.

2. Coordination and delivery

Coordination across government

24. The need to ensure effective coordination between the Minister for International Relations and other Welsh Government Ministers was an important aspect of our report on Wales' future relationship with Europe and the world. To that end, we recommended establishing a formal mechanism, such as a Cabinet sub-committee. The Welsh Government accepted this recommendation 'in principle' stating that "given the importance of the agenda and its spread across many portfolio areas, other options need to be considered including the option for allowing for full Cabinet discussions on internationalisation."¹⁷

25. During our evidence session on 18 November, the Minister stated that her preference was for "intensive bilateral meetings" with Cabinet Ministers and reiterated that "in terms of co-ordinating that role, then that will take place at the Cabinet level."¹⁸

¹⁷ Welsh Government [Response to Recommendations from the External Affairs and Additional Legislation Committee Report: Wales' Future Relationship with Europe & the World](#)

¹⁸ Record of Proceedings, [paragraph 62](#) – 18 November 2019

26. Dr Elin Royles identified “co-ordination with other Welsh Government policies, and co-ordination within the strategy itself” as an area where the document was not “as strong as they perhaps could have been”.¹⁹

Coordination across civil society and industry

27. In order to monitor international activity, the draft strategy states:

“We will convene two meetings a year to ensure we are coordinating our activities across Welsh Government and other organisations, such as local government and civil society, to ensure that, where possible and appropriate, we can build on each other’s experiences and international platforms.”²⁰

28. Annex A of the draft strategy provides a “non-exhaustive list” of international networks and agreements to which the Welsh Government is a signatory and that the list will be “reviewed as the UK’s relationship with the European Union” is finalised.²¹

29. During our roundtable session, Dr Rachel Minto said that she wanted to better understand how the strategy was going to allow citizens and civil society organisations within Wales to engage with the ‘international arena’.²²

30. Similarly, Dr Elin Royles stated that the strategy focused “more on what the Government is doing” and highlighted the example of Wales’ relationship with Flanders. Dr Royles said:

“What we don't have in this strategy is an outline of the range of bodies that could be involved. The focus here is more on what the Government is doing, and it hasn't encapsulated the kind of activities that other bodies are involved with. There are things such as the relationship with Flanders. The Welsh Government is now a central part of that relationship and there has been so much close contact between various cultural organisations. And that shows the range of civil society

¹⁹ Record of Proceedings, [paragraph 112](#) – 21 October 2019

²⁰ Welsh Government, [International Strategy – draft for consultation](#)

²¹ Welsh Government, [International Strategy – draft for consultation](#)

²² Record of Proceedings, [paragraph 98](#) – 21 October 2019

organisations that are involved with these international and European activities.”²³

Coordination and delivery at UK level

31. One of the Minister's stated aims for the strategy is to work with the UK Government and UK agencies to promote Welsh interests overseas. During a scrutiny session with the Minister on 10 June 2019, the Minister said:

“[...]I'm very, very keen to see the UK Government do a lot more for Wales, but I think if we were being fair, we perhaps needed to give them clarity in terms of what we want them to sell. That's what I'm hoping that this strategy will do, is to give absolute clarity to them in terms of the messages we want them to give. And once we've got that clarity, I will be demanding a lot more, not just from the UK Government, but some of the agencies that work for the UK Government—so your British Council and other organisations as well[...].”²⁴

32. The Draft Strategy itself states that the Welsh Government “will work with the UK Government – and its agencies – to ensure our strategy and our distinct Welsh messaging is delivered and aligned where possible with UK Government policies and strategies.”²⁵

33. In her evidence, Dr Elin Royles highlighted concerns regarding the mechanisms for Welsh and UK Government co-ordination in this area. Dr Royles said:

“The strategy acknowledges that the UK has an important role in advocating and promoting Wales internationally, but then it's sometimes weak about how to ensure that the UK Government and the various agencies will do so.”²⁶

²³ Record of Proceedings, [paragraph 175](#) – 21 October 2019

²⁴ Record of Proceedings, [paragraph 24](#) – 10 June 2019

²⁵ Welsh Government, [International Strategy – draft for consultation](#)

²⁶ Record of Proceedings, [paragraph 128](#) – 21 October 2019

Our view

34. We reiterate our view that the Minister for International Relations should establish a formal mechanism for the coordination of the Welsh Government's international relations work through the creation of a Cabinet sub-committee to bring together Ministers from other relevant portfolios.

35. We support the stated aim of the Minister to ensure greater coordination with the UK Government and UK agencies in the international field, including a minimum 5 per cent of representation (to reflect Wales' population share within the UK). However, we would welcome more detail on exactly how the Minister intends to do this. We would also welcome clarity on whether the UK Government and UK agencies will be involved in the development of the delivery plans and if the Welsh Government expects UK agencies to lead on any of the actions that will be contained within them.

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.

36. We agree with the views of witnesses that civil society and other organisations will have an important role to play in the strategy.

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.

Delivery of the strategy

37. In terms of delivery, recommendation 3 of our previous report stated that a new international strategy should be accompanied by a suite of key performance indicators so that progress can be measured against the objectives of a new strategy on an annual basis. The Welsh Government accepted this recommendation.

38. In her statement launching the draft strategy the Minister stated:

“The strategy will be supported by delivery plans which will contain targets and key actions. However, it is impossible to include targets at this time because of the current uncertainties surrounding the Brexit outcome.”²⁷

39. Dr Elin Royles and Susie Ventris-Field highlighted that the strategy has a somewhat inconsistent approach to marrying the strategic aims with specific actions. Susie Ventris-Field said: “it tries to be very ambitious with some quite vague statements, but then very specific in some of the details, and maybe just a good example would be on the section that's on Wales for Africa”.²⁸ She added:

“You can have delivery plans that sit under a strategy that are year on year or longer term that would deal with those detailed issues. So, it does feel like that's where it's falling down a little bit; it's not quite pitching at the level of strategy, really.”²⁹

40. Similarly, Dr Elin Royles said “it's a bit vague on the implementation” arguing that “you could envisage a number of sectoral action plans coming out from the document, but it's quite unclear about what it wants to do.” Dr Royles added that “maybe it's trying to combine both a bit too much.”³⁰

41. Susie Ventris-Field emphasised the need for effective scrutiny and review of the implementation of the strategy.³¹

42. The Minister's statement launching the consultation on the draft international strategy, in July 2019, outlined that the strategy would be accompanied by ‘delivery plans which will contain targets and key actions’.³²

43. On 18 November, the Minister told us that the intention was to focus on publication of the strategy in January 2020 and that the Welsh Government was “not going to go into detail about the delivery of the plans now”.³³

²⁷ Welsh Government, Written Statement, [Consultation on the International Strategy](#), - 31 July 2019

²⁸ Record of Proceedings, [paragraph 136](#) - 21 October 2019

²⁹ Record of Proceedings, [paragraph 137](#) - 21 October 2019

³⁰ Record of Proceedings, [paragraph 138](#) - 21 October 2019

³¹ Record of Proceedings, [paragraph 205](#) - 21 October 2019

³² Welsh Government, Written Statement, [Consultation on the International Strategy](#), - 31 July 2019

³³ Record of Proceedings, [paragraph 127](#) - 18 November 2019

44. Our report on Wales' future relationship with Europe and the world also called on the international strategy to be accompanied by a suite of key performance indicators so that progress can be measured against the objectives of a new strategy on an annual basis. This recommendation was accepted by the Welsh Government. These were not included within the draft international strategy but we note the Welsh Government's intention to publish delivery plans.

Our view

45. It is clear to us that implementation and delivery of the strategy will need effort from across the Welsh Government and wider civil society.

46. We acknowledge that the uncertainty caused by Brexit and possible changes in UK Government policy, make establishing measurable targets challenging. However, we consider it to be essential that the strategy is accompanied by a suite of measurable action points so that implementation of the strategy can be properly scrutinised.

47. We acknowledge the Welsh Government's intention to place its immediate focus on the publication of the international strategy by January 2020. However, we believe that publication of the delivery plans will be important to the success of the strategy, and certainty on the timeline for their publication will be important to all organisations wishing to collaborate with the Welsh Government on delivery.

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.

3. International relationships

Priority countries and regions

48. In our February 2019 report, we recommended that the Welsh Government review its bilateral relationships in order to “assess whether these relationships can be strengthened and deepened in future in line with Wales’ strategic priorities.”³⁴

49. The Welsh Government outlined its priority international relationships in Annex B of the draft strategy. They are divided into priority country relationships with Germany, France, the USA (and wider North America); and sub-state relationships with Brittany, the Basque Country, and Flanders.

50. During oral evidence, the Minister explained some of the rationale behind the priority country relationships:

“[...] we want to focus on Germany, because that is our biggest export market and it's our second biggest inward investment market. There's actually a really strong German diaspora in Wales. So, those are really solid reasons why we would pick on that country.

The same thing in France—that's our second biggest export market. Ireland is our closest neighbour. All of that has been worked out with a very strong evidence base behind it. And the same thing with the United States—that's our biggest investor into Wales. Also, in some of the core areas we're looking at developing—cyber security, compound semiconductors and film and tv—there's a real strength in terms of industry in North America, so that's why we've done that.”³⁵

Overseas Offices

51. In terms of the Welsh Government's overseas offices, recommendation 8 of our earlier report called on the Welsh Government to commission an independent baseline analysis of these and for that analysis to be used to oversee the performance management of the offices. The Minister accepted this

³⁴ External Affairs and Additional Legislation Committee, 'Wales' future relationship with Europe and the world' – February 2019

³⁵ Record of Proceedings, paragraphs 24 and 25 – 23 September 2019

recommendation 'in principle' stating that the Government would give further consideration to it while the strategy was being developed.³⁶

52. The draft international strategy states that the Welsh Government will “publish a remit for our offices and ensure that objectives are built into business plans to proactively respond to global issues”.³⁷

53. During oral evidence, the Minister explained that the aims and objectives of each overseas office would vary from location to location.³⁸ Furthermore the Minister stated that she wanted to “empower” the overseas offices to enable them to respond “flexibly” and proactively to opportunities.³⁹

54. On 21 October, the first quarterly report on the performance of the Welsh Government's overseas offices was issued to the Committee. The report included performance data against five key outputs, as well as a statement of intention for the outputs to be expanded in future to include the ‘identification and engagement of Welsh diaspora and friends of Wales.’

Our view

55. We agree with the overall approach to the overseas offices, however we note that there is an anomaly in that whereas the Basque Country is identified as one of three priority relationships, the Welsh Government does not have presence anywhere in the sovereign state of Spain.

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.

³⁶ Welsh Government [Response to Recommendations from the External Affairs and Additional Legislation Committee Report: Wales' Future Relationship with Europe & the World](#)

³⁷ Welsh Government, [International Strategy – draft for consultation](#)

³⁸ Record of Proceedings, [paragraph 132](#) – 23 September 2019

³⁹ Record Proceedings, [paragraphs 136 – 149](#) – 23 September 2019

56. We would welcome more detail from the Welsh Government in terms of measuring the performance of the international offices, and how their work aligns with the priorities of the final strategy. We note that the first of the quarterly reports published by the Welsh Government states that future performance measures for overseas offices will be revised to deliver against the international strategy objectives. We would welcome clarity on when and how this will be done and in which quarterly report we can expect to see inclusion of revised performance measures.

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.⁴⁰

The Brussels office and future relations with the EU

57. In terms of the Welsh Government's Brussels office, the draft strategy states that:

“Maintaining strong links with Europe and the European Union, as the UK continues to negotiate to leave the EU, will be key to the success of this strategy. Our Brussels office will play a significant role.”⁴¹

58. Dr Rachel Minto emphasised the “really important role” of the Brussels office in terms of “intelligence gathering, seeking to influence policy,” and as a base for engaging in European networks.⁴²

59. The Minister stated that the Government were “very committed” to the Brussels office and highlighted its wider importance:

“Brussels is an international hub like very few others. So, if you think about the number of lobbyists, it has the second highest number of lobbyists in the world, and there's a reason for that. It's because it's an influential place. So, the Brussels office is not just about keeping tabs on the institutions and trying to influence those. It's a much broader

⁴⁰ Our previous recommendation 8 called on the Welsh Government to “commission an independent baseline analysis, for example by the Wales Audit Office, of the operation of the Government's overseas offices”.

⁴¹ Welsh Government, [International Strategy – draft for consultation](#)

⁴² Record of Proceedings, [paragraph 188](#) – 21 October 2019

role where, actually, we get access to major companies that are based in Brussels, where it's easier to access those people.

Obviously, in terms of forging the new relationship with the EU, post Brexit, if it comes to that, then we will want to influence what that relationship will look like, and understanding where Brussels is coming from in those negotiations will be important, and that Brussels office will be crucial for that.”⁴³

60. More broadly, the Minister told us about the importance of engagement with the European Union and Member States in the future:

“We've opened new offices in France and Germany, and I think that was really important to give a signal that, 'Listen, whatever's happening here, we are totally committed to our European neighbours.' I think we've, obviously, got to keep a watching brief on how things will pan out. Key for me is that we maintain our relationship with the EU as our top priority—that's where 60 per cent of our goods go. So, we need to just keep watching that space in particular, and we may need to think about how we respond in relation to possibly reinforcing our European presence in the light of what happens in relation to Brexit.”⁴⁴

61. In our previous report, we called on the Welsh Government to explore with the EU the possibility of Wales' continued participation in European programmes that are undertaken in devolved areas. The Welsh Government accepted this recommendation 'in principle' and recognised that it was important for Wales to have continued access to a number of partnerships and networks (and any successors) after Brexit. These included the Ireland-Wales programme, Horizon 2020, ERASMUS+ and Creative Europe.⁴⁵

⁴³ Record of Proceedings, [paragraph 62 and 63](#) – 10 June 2019

⁴⁴ Record of Proceedings, [paragraph 76](#) – 18 November 2019

⁴⁵ Welsh Government [Response to Recommendations from the External Affairs and Additional Legislation Committee Report: Wales' Future Relationship with Europe & the World](#)

Our view

62. We agree that continuing engagement with the European Union and individual European Member States will be an important plank of the Welsh Government's international relations activities after Brexit.

63. We support continued investment in the Welsh Government's Brussels office, however, we agree that a more strategic look at its tasks and activities will be required after the final shape of Brexit is determined.

64. In terms of future participation in EU programmes, we would welcome more detail from the Welsh Government on the action it is taking in this area.

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.

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.