**WRITTEN STATEMENT**

**BY**

**THE WELSH GOVERNMENT**

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| **TITLE**  | **Regional Investment in Wales after Brexit** |
| **DATE**  | **14 December 2017** |
| **BY** | **Rt. Hon. Carwyn Jones AM, First Minister of Wales**  |

Today I have published ‘*Regional Investment in Wales after Brexit’*, the latest in a series of papers that build on the proposals we set out in our White Paper ‘*Securing* *Wales*’ Future” in January. The paper puts forward constructive proposals on how we wish to see Wales’ regions supported post-Brexit.

When devolution began the EU Structural Funds was one of the first big issues on our agenda. During nearly 20 years, we have learned much from our partnerships within Wales and with the European Commission about what works. Three successive rounds of EU Structural Funds will leave people in Wales better off, and better prepared, than they would have been. For example they have helped to more than halve the gap in economic inactivity rates between Wales and the UK since 2001. West Wales and the Valleys have closed the historical gaps with both East Wales and the UK average, with improvements in employment and falls in economic inactivity.

Outside the EU, we will build on that legacy, with jobs and growth and people remaining at the heart of our vision. Our proposed approach makes the case for continued regional investment, creating a new system that does not simply replicate current EU systems and practices. The paper has drawn on the External Affairs and Additional Legislation Committee’s report on the future of regional policy.

Our proposals include:

* Simplifying the rules, administration and systems for regional investment funds.
* Developing plans for the regions of Wales led by partnerships involving local authorities, businesses and communities in those areas.
* Regional investment focussed on places where it is needed and not according to an artificial map.
* Continuing the ability to provide state aid to businesses.
* The four national governments of the UK agreeing rules on regional support to avoid a race-to-the-bottom that could damage communities.
* Creation of a Council of Economic Ministers from all four nations to ensure co-ordination of policy across the UK.
* The UK Government to replace the £370m needs based EU funds Wales currently annually allocated to Wales for regional development to be added to the Welsh Government’s budget as a minimum post-Brexit with no constraints or top-slicing.

While we aim to have a constructive, positive working relationship with the UK Government on aspects of economic delivery, we firmly oppose any attempt to centralise regional development policy through a ‘Shared Prosperity Fund’. Any attempt to claw back the money for regional investment and run it as a UK Government programme would fundamentally undermine the UK Government’s promise to respect devolution. Our paper therefore calls for regional investment decisions to continue to be made by the Welsh Government and our partners.

The Welsh Government is best positioned to take the lead in shaping future regional policy. We have the experience over almost two decades of managing regional policy and regional funds producing an important legacy of expertise. To translate regional economic policy into practice requires people on the ground and we have a significant presence in every part of Wales. We have the partnerships already in place, at all levels across Wales, to go on making a success of this vitally important area.

Our experience of working alongside partners in the delivery of European funding means there is no part of Wales we do not have existing relationships already operating and delivering together. Programmes designed in Whitehall can not hope to replicate this success.

Leaving the EU presents many challenges but some opportunities too. We will be discussing our proposals with a range of stakeholders across Wales and will be holding stakeholder engagement events in North and South Wales on 18th and 25th January.

The paper can be found at:[gov.wales/brexit](https://beta.gov.wales/brexit)