End of Transition Action Plan 2020

The Welsh Government’s Action Plan for the end of the EU Transition Period
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Ministerial Foreword

The Transition Period ends on 31 December 2020, but as the negotiations between the UK Government and the EU continue there remains a great deal of uncertainty regarding the nature of the future relationship between the UK and the EU. With approximately 50 days until we begin a new relationship with the European Union it is vital that we all take responsibility for ensuring we are as prepared as feasibly possible, given the pressures both of the little time remaining, and the imperatives of responding to the COVID-19 pandemic.

We know that there will be significant changes under all possible scenarios, and these could have detrimental impacts for our nation. We must continue to work to prepare for them.

The Welsh Government cannot insulate Wales from all of the impacts of the significant changes to our economic, security and wider social relationship with the EU. We have continued to stress the need for the UK Government to work with the Devolved Governments on the planning for the end of the Transition Period as we learnt from the no deal planning that effective joint work, joint decision making and sharing of all relevant information is essential. We must work in a synchronised manner to ensure all parts of the UK are ready for the impending changes to our relationship with the EU at the end of this year.

We have known since early this year that the UK Government has been developing a series of priority projects for UK-wide preparations. However, we did not see meaningful details of even a subset of these projects until June. The lost time in planning simply cannot be regained. As well as this the UK Government took a unilateral decision to not request an extension from the European Commission on the end date of transition, despite the UK facing an unprecedented situation of a global pandemic. This has now thrown the UK in to a position where it is having to make complex, radical decisions about its future when society is already facing physical, mental and economic turmoil. This could have been avoided had the UK Government acted differently.

Notwithstanding this, the Welsh Government remains focused on the actions that are within our power to take as a responsible Government and will be accountable to the people of Wales for those actions. We will continue to work across all sectors to prepare and offer support where it is within our power to do so but there are key areas where the Welsh Government cannot act on its own, or requires the UK Government to act, and in those areas UK Government must take responsibility and work with us.

This document describes the actions we are and have been taking, both independently and jointly with the UK Government, to ensure that businesses and the public, private and third sectors as a whole are as prepared as feasibly possible for any outcome of ongoing negotiations.

The course of the negotiations between the UK Government and the European Union is not one which we have been able to materially change as a Devolved Government, though we have made the case for the interests of Wales throughout. The outcome of those negotiations will undoubtedly influence the landscape for which we must prepare following the end of the Transition Period. Unfortunately, even at this very late hour, that outcome remains uncertain. This plan will therefore continue to be refined and updated in light of that emerging picture in the coming days and weeks.
As a government, we are working and engaging actively with a range of partners and stakeholders across Wales to communicate the work of preparation, to inform the actions of others and to provide ongoing support where feasible. But within all this work we must also recognise the very real limits of what we can do to minimise the full impact of a no trade deal or a poor deal at the end of transition.

I would urge you now more than ever to take the time to identify where the implications of the end of Transition Period could impact most on you, your family, your business or your community and to take the steps – informed by the actions outlined in this plan, and the other sources of advice available from the Welsh Government and the UK Government – to prepare.

Jeremy Miles MS
Counsel General and Minister for European Transition
Executive Summary

This End of Transition Action Plan has been developed by the Welsh Government to set out the issues Wales faces in light of the impending end to the Transition Period. The development of this document has enabled us to take stock and consider the different groups within our society, the sectors within our economy and the individuals within our communities, that will be either directly or indirectly affected by the end of transition. We have an obligation under the Well-Being of Future Generations Act to ensure that we acknowledge the long-term impact of our decisions and that we work with people, communities and each other, to prevent persistent problems such as poverty and health inequalities. So whilst a range of risks and interventions in the plan deal with the impact on economic sectors, businesses and services, the duties in the Act, along with the 5 ways of working as set out in it, are what has helped to shape our preparatory work. We are mindful of the potential for effects arising from the end of the Transition Period to impact unevenly on particular groups within society – for example, our younger generation, older people, vulnerable groups, disabled people and our Black, Asian and Minority Ethnic (BAME) communities – and we are committed to working closely with partners in the public, private and third sectors in taking in addressing these issues further as we seek to take forward the critical work outlined in this document.

We know things will be different, we know that there is potential for major disruption to international trade (particularly, but not only, with the EU) impacting on exporting businesses, import supply chains and inward investment which all in turn could risk the sustainability of some businesses and negatively impact on jobs and wages. This could be further compounded by workforce impacts arising from the new migration system. Households are already financially worse off every year than they would have been had the UK not voted to leave the European Union and there is likely to be a further fall in the value of the pound relative to other currencies, in addition to the current economic impact of COVID-19. This all, in time, could translate into rising inflation on some products and lower economic growth, potentially hitting low-income households hard and further increasing inequality.

As the devolved government for Wales we have a number of obligations post-Transition Period, for example the protection of animal and plant health. We need to support businesses and public services to be as prepared as possible for the changes to trading arrangements with the EU, and for any workforce impacts and skills shortages if there is a reduction in migration from EU nationals, which in turn will also have an impact on higher education, further education and work-based learning. Education as a whole could see significant impacts after the end of the Transition Period if the UK Government does not follow through on its commitment to replace EU Structural Funds and if our access to EU programmes, such as Horizon and Erasmus+, is impaired. More broadly, the loss of access to EU programmes and the threat to Wales if the UK Government does not replace those funds will impact across all delivery partners including local government and the third sector in Wales, in addition to the impact on the beneficiaries in key sectors including research and innovation, and our creative industries.
The Plan identifies these issues and highlights the need for the UK Government to engage with us further on them. It also identifies where further work is required and where the best possible outcomes are reliant on partnership working. We are clear that partnership working and collaboration across the UK as a whole and within Wales is key to mitigating some of the challenges for Wales immediately following the end of the Transition Period and in the subsequent months.

The preparations for the end of Transition Period involve a complex mix of interdependent projects, covering both devolved and reserved functions and responsibilities. There are a significant number of projects for which the UK Government alone is responsible. There are projects which are **largely** the responsibility of the UK Government, but for which the Devolved Governments have a role in delivery. There are projects which relate to devolved functions, for which Devolved Governments have ultimate responsibility in their countries, but where a co-ordinated UK (or Great Britain) approach is being taken to delivery. And, there are projects which are led by and are the sole responsibility of the Devolved Governments.

The End of Transition Action Plan identifies the strategic priorities for Wales in the lead up to the end of Transition Period and beyond. It identifies where responsibility lies and where joint action between the Welsh Government and the UK Government is required in order to deliver the best outcomes for the citizens of Wales, in the difficult circumstances we face.

**Key Challenges and Priorities for the End of the Transition Period**

- Leaving the end of Transition Period without a trade deal would have major negative impacts on specific Welsh sectors and the Welsh economy in general, and even if a limited deal is agreed there will still be significant challenges and administrative non-tariff barriers affecting businesses that trade with the EU. Providing businesses as a whole and in specific sectors with the advice and support to prepare for these changes is critical.
- If a ‘data adequacy’ agreement is not secured between the UK and the EU this could have significant impacts on the flow of personal data from the EU, which can be important in many contexts for citizens, businesses and public services (including for law enforcement and justice cooperation between the UK and the EU, though these are reserved areas).
- Effective contingency arrangements to secure the flow of critical goods (for example, in relation to medical supplies and food) from the EU and to share these goods equitably across the countries of the UK are vital, in light of potential risks of delays at the border, in particular at the ‘short strait’ English Channel crossings.
- Extensive operational and legislative activity, often jointly with the UK Government, to ensure functions falling to Welsh Government as a result of the End of the Transition Period are put in place, in particular in relation to borders related checks and processes at the Welsh ports and a wide range of operational systems related to environment and agriculture policy areas.
- Additional funding from the UK Government to the Welsh Government is critical for delivering actions within this plan, and more broadly for our work to support businesses and organisations facing challenges arising from the End of the Transition Period, particularly where there is a risk of compounding existing effects from the pandemic.
- In addition, the UK Government must deliver against its commitment to ensure that Wales does not lose a penny of funding at the end of Transition and that the Welsh Government is fully funded to deliver its functions as a Devolved Government arising from the UK’s exit from the EU.
• Alongside this, participation in EU Programmes wherever possible must be secured through the negotiations with the EU, or if this proves impossible then domestic alternatives which respect devolved responsibilities and interests must be put in place.

• Continuing communications with partners, stakeholders, businesses and the public is vital, recognising in particular that advice for UK citizens on aspects related to travelling to the EU in future (e.g. in relation to passports, driving licences and insurance, and health insurance), and also continued support and advice to EU citizens living in Wales, is hugely important.

• As a critical underpinning to so much of this, it is vital that the UK Government increases its engagement and joint work on preparing for the end of the Transition Period with the Welsh Government.
Introduction

Background
In September 2019 Welsh Government published its ‘Preparing for a No Deal Brexit, our action plan’ to prepare for the possibility of departure from the EU without a deal in October 2019. The paper set out the Welsh Government’s overview of the main strategic risks of “no deal” for Wales and explained the mitigating actions that were being put in place ahead of October 2019. It emphasised how catastrophic a “no deal” exit would be for Wales and the UK alike, with a significant economic impact for Wales and the wider UK economy, and indirect consequences rippling through all aspects of society and local communities, particularly the most vulnerable.

With this in mind the Welsh Government took responsibility and worked closely with all partners to ensure that businesses, individuals and the public, private and third sectors were as prepared as feasibly possible for a potential no deal exit and to plan and put in place, so far as possible, measures to mitigate the range of adverse impacts of leaving the EU without a deal.

Following publication of the Welsh Government’s ‘Preparing for a No Deal Brexit’, the UK and the EU reached agreement on the terms of the UK’s withdrawal from the EU. The Withdrawal Agreement came into force and made provisions in respect of:

- Citizens’ rights,
- The financial settlement,
- A Transition Period at least until the end of 2020,
- Governance,
- Protocols on Ireland/Northern Ireland, Gibraltar and Cyprus,
- Other separation issues.

In addition to this the UK and the EU also agreed a Political Declaration, setting out the framework for the future EU-UK partnership.

The implications of the Withdrawal Agreement itself means that some of the original no deal risks are reduced or no longer relevant but despite these developments January 2021 will still bring significant change for everyone – businesses, organisations and citizens. Although we have left the European Union, the Transition Period has meant that in practice, our relationship with the EU has not yet substantially changed. In particular, during 2020 the UK has remained part of the Single Market and the Customs Union.

But on 1 January 2021, all this changes. The Transition Period will have ended and we will be entering into a very different relationship with the EU. This remains the case whatever the outcome of ongoing negotiations between the UK and the EU. The Welsh Government has therefore once again been planning and preparing for change.

1 gov.wales/no-deal-action-plan
This End of Transition Action Plan builds on the contingency planning captured within the ‘Preparing for a No Deal Brexit’, considers the impact of the Withdrawal Agreement and also now looks to reflect the significant new challenges which the on-going pandemic brings. It continues to highlight the wide spread impacts on business, public services and citizens.

In collaboration with partners, the Welsh Government is doing everything it possibly can, as outlined in this End of Transition Action Plan, but the deliverability of a number of interventions depends in part on the UK Government and in the actions it may or may not take in coming weeks.

**Economic impacts arising from the end of the Transition Period**

At the time of writing, we still do not know for certain whether or not there will be a free trade agreement reached between the UK and the EU before the end of this year.

Whether we leave the Transition Period on 31 December with or without a trade deal, there will still be profound practical differences for citizens and businesses, such as new border checks, new restrictions for providing and receiving services and new requirements for people travelling across borders. There will inevitably be new costs, new administrative requirements, and new restrictions.

But if we leave without a trade deal, there is a possibility of significant short-term disruption as well as long-term damage.

Of course, ending the Transition Period with no trade deal is not the same as a ‘no deal’ exit. At the time that the ‘Preparing for No Deal Brexit’ plan was published, the Welsh Government was planning for the possibility of there being no agreement at all on the terms of the UK-EU legal separation. The Withdrawal Agreement has now settled some of that ambiguity, some issues have been resolved and some of the more damaging aspects of a no deal have been mitigated.

However, all the credible evidence\(^3\) shows that a no trade deal outcome will have a profound and long term effect on the UK economy. Agreeing a trade deal is therefore critical, even though the UK Government’s own analysis forecasts that a trading relationship based on a free trade agreement with the EU would still lead to a decline of approximately 4.9% in the UK Gross Domestic Product (GDP) after 15 years, as compared to membership of the European Union.

The unresolved uncertainty associated with the UK’s exit from the EU is already having a negative impact on the UK’s GDP and over time the UK’s departure from the EU is expected to have a substantially larger long term economic impact than COVID-19.

The effects of this are likely be unevenly spread across sectors, communities and groups, and the Welsh Government is committed to working with partners to consider how to seek to mitigate the risks of these changes exacerbating existing inequalities, including recognising the continuing impacts of COVID-19 on particular groups.

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**Impact of COVID-19**

The COVID-19 pandemic is causing significant short-term economic damage globally, as well as uncertainty over future economic performance. The UK’s exit from the EU and the end of the Transition Period will compound the effects of the pandemic. Our response to COVID-19 and preparation for the end of Transition Period must therefore be seen in the round, and co-ordinated with work to respond to the pandemic. With this in mind the Welsh Government has developed a streamlined approach to managing the end of transition, focusing on the highest impact priorities, avoiding duplication with the ongoing pandemic recovery and response work.

A number of actions necessary for the end of Transition Period (and which also featured in ‘Preparing for a No Deal Brexit’), including many of those proposed to support the economy, labour market and communities, now feature in ‘Leading Wales out of the coronavirus pandemic: a framework for recovery’[^4] which was recently published by the Welsh Government. In collaboration with key delivery partners such as local government and third sector organisations some of the actions identified within ‘Preparing for a No Deal Brexit’ have now been deployed as a direct response to the pandemic (for example the measures implemented to tackle food poverty and address food insecurity, extra funding for free school meals and responding to additional demand for support through the Council Tax Reduction Scheme). We have accelerated much of the support for businesses and the economy and strengthened the capacity and reach of the Welsh Government’s employability programmes (supporting employability, employer skills support) increased our business loan support and implemented an economic stimulus package. To date, the Welsh Government’s Economic Resilience Fund (ERF) has already delivered almost £300 million of support to more than 13,000 companies in Wales, with the most recent phase focussed on responding to the combined impact of EU exit and COVID-19.

As a result of this acceleration of support, the remaining business-related actions in the End of Transition Action Plan now relate largely to, sector specific risks arising from the outcome of any trade deals (or none), such as red meat and fisheries, and actions to support businesses to prepare for the practical challenges of the end of the EU Transition Period.

As outlined above, we are acutely aware of the impacts on COVID-19 on particular groups and are concerned about the potential for economic and wider effects arising from EU exit to compound these effects.

The Welsh Government’s End of Transition Action Plan

In planning for the end of the Transition Period, the Welsh Government has identified five strategic priority areas around which we have built our End of Transition Action Plan.

These priority areas are:

1. Supply of critical goods
2. Business readiness and support
3. Public services and communities
4. Operational activities
5. Welsh Government resourcing and responsibilities

1. Supply of Critical Goods

Food supply

Despite the strengths and contribution of our agriculture and fisheries sector and our successful food production and processing businesses, Wales does not have a stand-alone food system. Food supply operates on a UK and international basis, with production and distribution located across the UK and a significant dependence on import for certain key products. Supply chains are highly efficient but face significant disruption in the absence of a free trade agreement and business preparedness.

The primary risk at the end of the Transition Period is disruption of trade across the short Channel crossing (Dover-Calais), which in winter would mainly impact on imports of fresh fruit and vegetables, most of which are sourced from the EU.

Whilst there does not appear to be a risk of a general shortage of food, choice will be more limited, and prices may increase, imposing particular burdens on our most vulnerable citizens – who are most likely already facing financial strains as an outcome of COVID-19 – as well as our educational and healthcare settings. Co-ordinated planning and action between the Welsh Government, the UK Government and the other Devolved Governments, with engagement from business, third sector, healthcare and Local Authorities, is required in order to address this risk.

The Welsh Government is engaged on an ongoing basis with major retailers and food businesses to understand their preparations and we have secured a commitment to maintain stocks to shops all across Wales on an equitable basis. We are actively assisting our food production and processing businesses to prepare through bespoke support, advice and information. We are working with trade organisations to gauge how ready businesses are.
It is evident that more needs to be done by businesses to prepare, even in these most challenging of times. Our business cluster networks, and the programme of webinars, and technical advice and support from Food Innovation Wales, provide additional support for preparedness.

We continue to press the UK Government to engage in robust testing of plans and preparations, involving the Devolved Governments, with access to the full detail of analysis underpinning shared plans, and to improve our shared understanding of cross-border impacts.

To maintain supplies of critical goods, we need a co-ordinated UK approach, with the UK Government, the Devolved Governments and the sectors all working together constructively and collaboratively. The Welsh Government will continue to play its full part in the delivery of this co-ordinated approach.

**Medical supplies**

Plans for the continuity of supply of medicines and radioisotopes, and medical devices and clinical consumables (MDCC), are based upon a mix of participation in UK Government programmes, and bespoke Welsh Government/Welsh NHS arrangements. Work is continuing with the UK Government and the other Devolved Governments to determine the precise nature of the contingency arrangements. This work takes full account of both the demands resulting from COVID-19 and from annual ‘winter pressures’.

The UK Government has published a list of medicines which wholesalers are not permitted to export, in order to maintain supplies for UK patients. It has also procured framework contracts for ferry capacity and express freight transfers. The Welsh Government is supplementing UK stockpiling arrangements for MDCC and key medicines with bespoke buffer stocks in Wales where necessary.

COVID-19 has in general, hit hardest the health of older people, BAME communities and those with underlying medical vulnerabilities, and so we have an obligation to ensure that they continue to have access to the medical equipment and treatments which they need going forward and are not further negatively impacted by the end of transition.

2. Business Readiness and Support

**Encouraging business preparedness**

When the Transition Period ends, the UK will no longer be part of the Single Market and the Customs Union. This will have significant consequences for businesses, citizens and public services, regardless of the terms of our future relationship. Businesses which trade with the EU will inevitably face barriers to trade and cross-border compliance requirements which have not existed for decades. There also needs to be consideration of any workforce impacts and skill shortage if there is a reduction in migration from EU nationals, and businesses will need to consider this in their contingency planning.
The UK Government is developing detailed guidance to businesses and industry about the new rules and requirements which they will face once the UK is no longer part of the Single Market, relating mainly to those for the cross border trade in goods and services. Economic intervention to support business and the economy at the scale necessary to address the consequences of leaving the Transition Period can only be realistically financed by the UK Government given its resources.

However, the Welsh Government continues to encourage business preparedness through online resources and telephone advice support, and access to financial support.

The Business Wales webpage houses the EU Transition Portal (previously Brexit Portal) which offers a comprehensive range of support mechanisms to businesses and includes the ‘Business Online Support Service’, a telephone business advice line, finance locators, updates regarding EU Transition developments and a raft of sector specific online resources. It also signposts business to third part resources which may be useful. Over 38,000 users have visited the Business Wales EU Transition Portal since its launch, with over 1,000 businesses completing the full toolkit.

There is additional material to support business preparedness on the ‘Preparing Wales’ website which the Welsh Government launched in early 2019. It provides a broad, single, source of information for the people of Wales about the actions we are taking to respond to the UK’s departure from the European Union, and signposts to UK Government information where appropriate.

We absolutely recognise the pressures which COVID-19 has placed upon Welsh businesses, and we know how difficult that makes it for many of them to plan for the end of Transition Period. But we urge them to make use of the advice and support provided by the Welsh Government, and to consult the detailed guidance provided by the UK Government and the relevant trade bodies. The Welsh Government will continue to do everything we can to support businesses in the run up to the end of transition, and beyond.

Data

The free flow of data is critical for businesses and citizens and public services, and the Welsh Government is committed to seeking to facilitate continued trade and compliance with our legal obligations in this regard. Flows of personal data and information sharing are also hugely important for continued UK / EU cooperation on security and law enforcement matters, and therefore for the safety and security of the people of Wales. Data protection is a reserved matter, so not the direct responsibility of the Welsh Government. The UK Government is seeking to secure a data adequacy agreement from the European Commission, which would ensure the continued free flow of personal data. If the Transition Period ends without an adequacy agreement the free flow of personal data into the UK will not be as straightforward as it has been, with significant implications for a wide-range of online transactions. Transfers of personal information from the UK to European Economic Area (EEA) should not be affected as the UK Government has legislated for this to continue, but data flows from EEA to the UK will be affected and arrangements (such as administrative or contractual agreements) will need to be put in place to seek to ensure continuation of the free flow of personal data from the EU.

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5 https://businesswales.gov.wales/
6 https://gov.wales/preparing-wales
The decision on data adequacy is an important part of the wider future relationship, but is formally separate to the negotiations between the UK and the EU.

The Welsh Government continues, to provide support to businesses to mitigate the risk of non-compliant data use. The Preparing Wales website and the Business Wales EU Transition Portal provides guidance and resources to help businesses and organisations better prepare for data protection compliance in the possible absence of a data adequacy decision. This includes directing businesses to the up to date information on the Information Commissioners Office website.

We urge businesses (as well as public services, other organisations and individuals) to satisfy themselves that they have understood and prepared for the risks arising from the lack of a data adequacy agreement

Sector specific support for the red meat sector and fisheries

The EU is Wales’ biggest international export market for red meat and has a significant role in both the export and import of fish. The EU accounts for nearly 60 per cent of Welsh red meat exports; approximately 30 – 40% of the sheep meat produced in Wales is exported annually and of this 90% is destined for the EU. Our seafood industry, specifically shellfish, is also heavily reliant on our EU trade and over 60% of Welsh seafood exports are destined for ports in Spain.

Leaving the Transition Period without a trade deal or an adequate replacement support scheme would therefore have a devastating impact on both the Welsh red meat and fisheries sectors and rural and coastal communities. If the UK leaves the Transition Period without a trade deal which protects our exports in these sectors, it is likely that we could need a ‘Crisis Intervention Scheme’ to help mitigate some of the adverse impacts. Such a scheme could potentially be of a substantial scale and would require cross-UK collaboration and additional UK Government financial support to be provided to the Welsh Government to deliver.

Previous contingency planning undertaken in 2019 in collaboration with delivery partners and stakeholders, remains integral to our planning now. However it was naturally focussed on the loss of the EU export market only. The impact of the COVID-19 pandemic is also now being taken into account in our preparation for end of Transition Period, with extensive scenario planning.

We hope the UK Government and the EU will be able to reach an agreement which will allow continued tariff-free access to EU markets for our farmers and fishers, but we stand ready to do whatever we can to provide support if no such agreement is reached.

8 https://gov.wales/preparing-wales
3. Public Services and Communities

Supporting Settled Status

Wales has a long history of being a welcoming and inclusive nation – an attractive place not only to visit, but to live and work. We celebrate the fact that citizens from other European nations have chosen to come to our country as neighbours, colleagues, friends and family for many years.

As of the 31 December 2020 all EU, EEA and Swiss citizens and their families resident in the UK will have until 30th June 2021 to apply to the EU Settlement Scheme ⁹ to gain ‘settled status’.

Although this matter is wholly reserved, Welsh Ministers have committed resources and funding to support Wales-based residents to apply successfully for settled status. Our central concern has been those in more vulnerable or more excluded groups who may be unable to easily access Home Office services. The Welsh Government’s work has included social media campaigns and direct funding of third sector groups who can connect with and support these groups. Specifically, we have provided around £2m of funding through the European Transition Fund and other funding to organisations including Citizens Advice, Settled, Local Authorities, and Newfields Law to reach out and support more complex cases, less connected groups, looked-after children and adults in social care.

The Welsh Government will continue to ensure that EU citizens have access to appropriate advice services, are protected from exploitation and exclusion, and are encouraged and supported to continue living in Wales.

The Welsh Government is providing training to local authority housing and social services teams to ensure they fully understand the rights and entitlements of EU Citizens when presenting with either Settled Status, Pre-Settled Status, or otherwise. The third sector will play a critical role in supporting us to engage and ensure that settlement status is acquired for vulnerable groups.

The last few years have been unsettling for all of us, including so for EU citizens who have made their home in Wales. As a government we want to make it very clear, we recognise the invaluable contribution that EU citizens make to our communities and urge those who’ve not already done so to apply for settled status, and to make use of the advice services which are available.

⁹ www.gov.uk/settled-status-eu-citizens-families
Public sector data resilience

As noted above, the free flow of data is critical for businesses, public services, other organisations and individuals), and the UK Government is seeking to secure a data adequacy agreement from the European Commission to ensure the continued free flow of personal data.

In respect of public sector data sharing, the Welsh Government is leading work to ensure devolved public bodies have adequate mitigation procedures in place and for helping to manage the consequences for devolved public services in Wales if operational disruption occurs as a result of data adequacy not being in place on 1 January 2021. We have been working closely with devolved public bodies to ensure they have an understanding of their own data flows, they know where their data is hosted, and have sought assurances they are putting appropriate mitigation actions in place in order for us to assess the overall levels of preparedness. We will continue to support public bodies to prepare for potential constraints on data flows between the EU and the UK at the end of Transition Period and will ensure all sectors continue to receive up to date guidance. The Welsh Government is also working with the UK Government to ensure that a Data Advisory Service that is being established to advise on the consequences of no adequacy decision, is available to the Welsh Government.

For non-devolved public services the Welsh Government continues to seek assurances from Whitehall on mitigations to deliver systems to deliver services for Welsh citizens

Providing Citizens with Advice

The Welsh Government has a long-standing commitment to financially supporting information and advice services for its citizens. We know these services are critical in helping citizens to navigate often confusing and complex rules and regulations to access their civil rights, with outcomes that ultimately promote equality, reduce poverty and improve health and wellbeing. Through the Single Advice Fund, we have awarded grants exceeding £8 million to services to ensure some of the most vulnerable citizens in Wales have access to free and impartial advice on debt, employment, discrimination, housing, and welfare benefit issues, etc., particularly important during these unprecedented times.

Post EU transition these services will be needed more than ever and in the lead up they will continue to provide advice on important areas arising from the UK’s exit from the EU such as successor healthcare arrangements for travel, immigration, employment, access to housing and much more.

Support Continued Transport and Travel

Without sufficient contingency plans in place for the end of Transition Period, aspects of international transport and travel could be disrupted significantly, affecting the whole of the UK.

The UK Government is responsible for a range of transport-related projects, reflecting the fact that substantial areas of transport policy remain reserved. These include projects relating to new requirements for UK citizens driving in the EU, cross border rail services, and the development of initiatives to minimise traffic disruption at the border arising from new border checks (as outlined elsewhere).
The Welsh Government is responsible for the trunk road network and will work with local partners in Local Resilience Forums, and with the port and ferry operators in the event of significant traffic disruption due to border problems. We are now also engaging with the UK Government in order to link on our transport management plans and other devolved responsibilities with the border checks for which they are responsible. This has been made more difficult by the significant previous delays from the UK Government in sharing their planning assumptions and border arrangements with us. We will continue to work with haulage industry representatives to ensure that the concerns and needs of Welsh hauliers are reflected in the preparedness work.

Over and above the disruption caused by new border controls, passenger arrangements and non-tariff barriers, leaving the Single Market without a trade deal will end the current basis on which hauliers and airlines are able to operate between the EU and UK.

Unless contingency measures are brought forward, that would mean grounding flights and relying on European Conference of Ministers of Transport (ECMT) permits for hauliers to be able to take goods to the EU. UK hauliers may need ECMT permits for some journeys to or through the EU from 1 January 2021, and the UK Government is advising hauliers to apply for these in case they are needed. The UK receives a quota of permits, and if a permit application window is oversubscribed, not all hauliers’ applications will be successful.

As part of the preparations at the end of 2019 planning, the EU and the UK both agreed to temporarily extend reciprocal point-to-point air passenger access and permit-free haulage access to avoid major disruption on day one. Whilst this remains the subject of ongoing trade negotiations, the need for clarity is urgent given the impact on permitting and logistical arrangements of freight companies. We continue to press the UK Government to work meaningfully with us to ensure Welsh hauliers receive a fair share of permits in this scenario.

We share the concerns of the haulage industry about the lack of clarity from the UK Government on many of the details about the new checks and requirements hauliers will face in January.

4. Operational Activities

Ports and traffic management

Each year Welsh ports handle around 53m tonnes of UK freight including significant volumes of ferry traffic, oil and gas, containers, steel, biomass live animals and bulk cargo as well as other offshore renewable cargoes.

Welsh ports also provide vital facilities for cruise ships, marine and leisure activities and the fishing industry as well as directly supporting almost 11,000 jobs and sustaining other vital parts of the economy yet border management remains our single, largest, challenge in our preparations for the end of transition.

Wales is home to the UK’s second busiest roll-on roll-off ferry port, at Holyhead. As well as providing a key trading link between the UK and the Republic of Ireland and in the transit of EU goods across the UK, Holyhead plays a significant role in the transfer of goods between Great Britain and Northern Ireland. We estimate that approximately 30% of Holyhead’s traffic is to or from Northern Ireland and we are urgently pressing the UK Government for clarity on what can be done to ensure this traffic retains its ‘unfettered access’.

Once the UK is no longer part of the Single Market and Customs Union additional checks will be required at UK ports including in Wales and it will be critical that plans are put in place to ensure a smooth flow of goods through major ports – any delays could cause challenges for the supply chains of some (fresh) food products and medicines and have a damaging impact on some trade sectors.

Most aspects of border controls and checks are reserved. The UK Government is responsible for immigration controls, the operation of customs checks and the collection of revenue at the border, and for the controls applicable to a wide range of goods and products, including medicines and healthcare products; the movement of cultural, creative and sporting goods and equipment, military equipment, strategic exports, and other highly regulated goods. The UK Government’s proposals in respect of the movement of goods across the UK’s border after we have left the Transition Period are set out in the UK Government’s Border Operating Model.

The Welsh Government’s main responsibility is for Sanitary and Phytosanitary (SPS) checks on animals and products of animal origin, plants, fruit, vegetables and wood. As both governments have responsibilities in relation to border checks, they have shared interest in the establishment of the infrastructure within which checks will be undertaken (whether that is at the border or elsewhere).

We have always been clear that the UK Government’s approach on our future trading relationship with the EU would risk major disruption in Wales, particularly at the border. The UK Government’s published reasonable worst-case scenario for the border at the end of the Transition Period highlighted that 40-70% trucks travelling to the EU might not be ready for new border controls.

Border checks will be phased in on goods arriving in the UK from the EU from 1 January 2021, whilst the checks for which the Welsh Government is responsible, will not be applied at ports until July 2021.

HMRC checks will start to be phased in from 1 January 2021 and so the necessary border infrastructure to support this at Welsh ports will also need to be developed and implemented in time for the end of Transition Period.

As part of this two inland sites are being developed to support the ports; one in north Wales where HMRC are leading the delivery; and one in south west Wales where the Welsh Government is leading, following a recent decision from HMRC that they do not require a multi-functional presence there.

At the start of the year we called on the UK Government to involve us in the necessary planning needed to prepare for the Transition Period. Unfortunately, it took some time for the UK Government to involve us in joint operations including requirements at Welsh ports. Precious time was lost as a result.

The Welsh Government has however been working with ports and the relevant local authorities to consider the needs of individual ports when facing the new border controls regime.
With less than two months before the end of Transition Period, we continue to wait for clarity on some major issues from the UK Government. In the meantime we are working to ensure we minimise any possible disruption to the transport network, the ports and local communities in Wales. We will do all we can to ensure that all affected businesses, local authority and other partners and users of the ports are kept informed as these discussions progress.

**Energy and climate change (including emissions trading)**

The **UK Government** is responsible for security of supply of energy, including arrangements with the EU on efficient use of electricity interconnectors and energy trading.

The **Welsh Government** is responsible for climate change policy, including emissions trading. The four governments of the UK have jointly developed a UK Emissions Trading Scheme (UK ETS) through a collaborative ‘Common Framework’ approach. The scheme is a replacement for the UK’s participation in the EU Emissions Trading System (EU ETS). It can operate as a standalone scheme but also allows for a potential link between a UK ETS and the EU ETS, subject to negotiation between the UK Government and the EU. Legislation is being progressed by all four governments to establish the scheme on 1 January 2021. The governments are working with our environmental regulators to ensure a smooth transition to the new scheme for operators in the power, industry and aviation sectors.

The UK Government has retained the option of introducing a Carbon Emissions Tax (CET) as an alternative to the UK ETS. It is not yet clear when, or on what ground, the decision between the CET and the UK ETS will be made.

**Welsh Government’s Transition Work Programme**

It is necessary to put in place a range of new systems and legislation to ensure the UK has a functioning statute book; and has the necessary systems and processes in place to meet our responsibilities after the end of the Transition Period, replacing EU run systems where necessary. There is a huge range of work and a large number of projects in which the Welsh Government is involved, both at a devolved level and in collaboration with the UK Government. This work and the contingency planning that is being undertaken is vital to ensure that all sectors affected by either policy or legislative change have clarity about the regulatory framework after the end of the Transition Period. Some of the many projects being undertaken across the Welsh Government relate for example to the development of common frameworks, maintaining food standards, changes to animal identification, maintaining environmental regulations, the regulation of pesticides, and the regulation of the trade of animals and animal products.

The Welsh Government has already progressed a substantial amount of work in this area to support preparation but this work continues to evolves as negotiations develop. Although the work is currently being delivered within the Welsh Government’s current financial capacity a number of projects remain reliant on the UK Government being forthcoming with future financial support, especially in the areas that are non-devolved. The Welsh Government should not be under resourced to properly facilitate a smooth end of transition.
Future EU programme participation and domestic replacements

The Welsh Government has consistently pressed for the UK Government to negotiate with the EU for Wales to have the possibility of accessing the full range of EU programmes in which it currently participates. Amongst these programmes are the future Horizon Europe Programme, Erasmus+, European Territorial Co-operation (particularly our Ireland-Wales programme) and Creative Europe. We were extremely disappointed, therefore, that the UK’s negotiating mandate limited future access negotiations to Horizon Europe and only a partial involvement in Erasmus+. We have continued to press the UK Government to negotiate with the EU for the Devolved Governments to be able to access a wider range of EU programmes in future, even if the UK Government does not choose this for England, but the UK Government has so far not agreed to this request.

Where the UK Government is negotiating for UK access to EU programmes, our firm position is that they should be seeking full association to the Horizon Europe programme and for full participation in the Erasmus+ programme. If this cannot be achieved then the UK Government must work with us on the co-production of a domestic alternative that replaces the benefits and funding provided by these programmes, and which takes accounts of our specific priorities in Wales. The same applies to domestic alternatives being developed in other areas, for example to replace the Creative Europe programme. We value hugely the creative sector in Wales and any successor programme needs to ensure the sector in Wales does not lose out and continues to have the opportunities to thrive.

These programmes that are currently funded from the European Union and associated organisations are vital to the future of both our Higher and Further Education settings. They currently provide substantial financial support for students, for research and innovation, and any undermining of this support will have a detrimental effect on Wales’ research capacity, our future work force skill base and the well-being of our future generations.

5. Welsh Government Resourcing and Responsibilities

Negotiations with HM Treasury on funding

The Welsh Government continues to press the UK Government to uphold the pledge that Wales will not be a penny worse off as a result of leaving the EU. We know the financial implications that the loss of EU funding could have on local government, the third sector and the private sector in Wales. The uncertainty is already creating significant problems for planning and resourcing across all sectors in Wales. The UK Government must make good on the pledges made to Wales.

This means replacement funding must be provided for all the EU programmes in which Wales has previously participated – representing well over £700m to Wales annually – and for the Welsh Government to continue to have the flexibility to make spending decisions in these clearly devolved areas. In addition, the UK Government must provide funding to offset the additional costs of EU exit – addressing end of Transition issues, and the costs of operating functions that were previously delivered by the EU.
In the event of exiting the EU without a trade deal, substantial additional funding and flexibilities will be required from the UK Government to address the significant negative impacts for Wales, particularly against the backdrop of the evolving COVID-19 pandemic. It will also require substantive fiscal and economic interventions by the UK Government using its macro-economic levers including welfare benefits, taxation and support schemes (some of which are currently being seen in response to the COVID-19 pandemic).

**The UK Shared Prosperity Fund (SPF)**

The Welsh Government continues to press the UK Government for clarity on the Shared Prosperity Fund and on its commitment to ensuring the guarantee works for all Welsh stakeholders, covers all EU funding programmes and does not result in any funding gaps, given that new projects cannot be funded after 31 December 2020.

Ahead of the end of Transition Period the Welsh Government will continue to seek financial commitments from UK Government with regards to the Shared Prosperity Fund and the UK Government’s recently announced 1-year only Spending Review. The Welsh Government has made clear that the Shared Prosperity Fund must respect the current devolution settlement, with funding and decision-making responsibilities for projects resting with the Welsh Government.

**Legislation and New Functions**

Preparing to leave the EU has required a substantial programme of legislation. While EU-derived laws are to be converted into domestic law via the EU (Withdrawal) Act at the end of transition, a significant amount of secondary legislation has been required to amend, or “correct”, this body of law, also by the end of transition, to ensure it continues to operate effectively in the UK. EU Exit statutory instruments (SIs) are also required to implement the Withdrawal Agreement with the EU and the related EEA EFTA Separation Agreement and Swiss Citizens’ Rights Agreement. Secondary legislation is also required for the end of Transition for domestic regimes in areas such as agriculture and fisheries and reciprocal healthcare and potentially to implement a treaty on the future relationship with the EU and Free Trade Agreements with third countries. This programme of work has been, and continues to be, unlike anything which has been experienced or undertaken before.

The Welsh Government continues to have a responsibility to deliver our own programme of EU Transition legislation, lay SIs in the Senedd, and support and consent to relevant SIs to be progressed in the UK Parliament. In addition, it is also important that we continue to ensure the Welsh Government interests in key UK Government Bills are respected. By the end of Transition Period the Welsh Government will, since the work began in 2018, have given formal ministerial consent to over 200 of the UK EU Exit SIs. The Welsh Ministers made 51 correcting SIs before exit day on 31 January 2020 and over 20 more Welsh EU Exit SIs are anticipated by the end of transition. The work in this area is extensive and intensive and a small number of non-critical further SIs will be required in 2021.

A range of functions previously exercised at EU level revert to the Welsh Government as a result of EU exit, including delivery of new operational systems and new areas with rights of policy initiative. The Welsh Government has duties and obligations to put in place necessary infrastructure to support and deliver additional functions compliantly and according to the timetable determined by the end of the Transition Period.
## End of Transition Action Plan

### AREA A – Supply of Critical Goods

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<thead>
<tr>
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</tr>
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</table>
| **Import – Food**  | Risk assessments and contingency planning to ensure continued UK food supply after the end of Transition Period.  
Ensure continued adequate food supply to Welsh consumers with minimal disruptions in immediate aftermath of leaving the Transition Period.  
Develop consumer messaging strategy with UK Government and supermarkets.  
Develop consumer messaging strategy with the UK Government and supermarket chains. | The Welsh Government continues to participate in cross the UK discussions with Government and the Food Industry on preparedness and established contingency planning systems.  
The Welsh Government is working with the NHS and Local Authorities on contingency planning for supply and food price changes.  
The Welsh Government will continue to deliver its consumer messaging strategy with the UK Government and supermarket chains. | The **UK Government** has overall responsibility for borders and the flow of goods into the UK.  
The **Welsh Government** seeks work with UK Government to ensure Welsh interests are represented during negotiations and to ensure continued adequate food supply to Wales. |
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<td><strong>Import – Medical</strong></td>
<td>Ensure the continued availability and importation of Medicines and radioisotopes, Medical Devices and Clinical Consumables (MDCC)</td>
<td>The Welsh Government continues to engage with the UK Government on contingencies. On-going preparations are largely based on arrangements developed during ‘Preparing for a No Deal Brexit’ planning, although some adaptations will be required. Work is continuing with the UK Government and other Devolved Governments to determine the precise nature of the UK continuity of supply contingency arrangements needed ahead of December 2020, and of Wales’ participation. This work will also need to be framed in the context of COVID-19 and the end of the Transition Period coinciding with annual ‘winter pressures’. The UK Government has published a list of medicines which wholesalers are not allowed to export, in order to prevent parallel exporting and maintain supplies for UK patients. During no deal planning the UK Government procured framework contracts for Roll On Roll Off ferry capacity and Express freight transfers. The contracts allowed for postponement and this has been implemented. The Welsh Government is an active member of the UK Government led, Transition Period Supply Planning Forum. In relation to medicines, the Chief Medical Officer is a member of the National Distribution Decision Making Forum, which will prioritise medicines in the event of conflicting demand.</td>
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<tr>
<td><strong>Respective responsibilities of UK Government and Welsh Government (within its devolved competency)</strong></td>
<td>UK Government has overall responsibility for goods crossing borders and procurement of MDCC. The UK Government and the pharmaceutical industry are responsible for the continuity of supply of medicines to Wales. Within this overall context the Welsh Government is responsible for the continuity of the supply to NHS Wales and social care.</td>
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## AREA B – Business Readiness and Support

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<tr>
<td>Business Preparations</td>
<td>Encouraging both business and citizen preparedness through online resources, advice lines and access to financial support. Continue to communicate day 1 readiness issues so businesses and citizens are aware of impacts of differing exit scenarios ahead of 31 December so they are able to take any necessary action ahead of this date.</td>
<td>The Welsh Government has developed a communications and engagement plan for the transition and End of Transition Period. The Business Wales EU Transition Portal provides information for businesses about how they can best prepare for the End of Transition and this is being further developed as situations evolve. An expanded phase 3 of Economic Resilience Fund has made £100m available to support businesses with challenges occurring from both European Transition as well as COVID-19. The Development Bank of Wales has funds in place to support business both through the End of Transition Period and during the pandemic. There has been significant continued engagement between the Welsh Government and UK Government on business preparedness.</td>
<td>The <strong>UK Government</strong> is responsible for overarching economic policy, but the <strong>Welsh Government</strong> is responsible for economic development in Wales.</td>
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<td>Preparing Wales Website</td>
<td>Promote preparedness advice for citizens, signposting to UK Government communications where appropriate. This includes advice for businesses, and travel advice for those intending to visit the EU for holidays or for work.</td>
<td>The Welsh Government’s Preparing Wales/Paratoi Cymru website signposts to relevant guidance on other gov.wales sites as well as gov.uk resources where they apply in Wales. The website is a single, comprehensive, source of advice, and is updated regularly. It provides a link to the EU Exit Business Portal. It has also been updated to reflect the latest position and advice for people travelling to the EU. This includes the latest information about healthcare in the EU and health insurance, car insurance and driving in the EU, passports and pet passports and mobile phone charges.</td>
<td>The <strong>Welsh Government</strong> is responsible for supporting Welsh citizens and businesses however messages and support must be joined up with the <strong>UK Government</strong> interventions.</td>
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| Business Advice and Support          | Provision of expert business advice, administrative support and grant support to overcome challenges. | The Welsh Government’s Business Wales service is the first point of contact for Welsh businesses looking for advice on EU Transition challenges and preparedness. Business Wales covers several elements of support – including:  
  - Strengthening export support services  
  - Business resilience grant funding  
  - Collective capacity building (focused on the nuclear industry)  
  - Communications to build business confidence and resilience  
  - Gathering trade intelligence and scoping non-EU markets. | The **UK Government** is responsible for overarching economic policy, but the **Welsh Government** is responsible for economic development in Wales |
| Data                                 | Support public bodies and private sector to prepare for potential constraints on data flows between the EU and the UK at the end of Transition Period. | Prior to the 31 Jan 2020 preparedness work had been undertaken to mitigate risk to data transfer of a no deal at October 2019 and UK’s departure from the EU.  
  The Department for Culture Media and Sport (DCMS) is leading the data adequacy process on behalf of the UK.  
  The Welsh Government works closely with DCMS which leads on data issues and we have contributed information to support progress on the issue.  
  The Welsh Government receives regular updates and attend regular meetings to discuss preparedness, adequacy and future UK powers in relation to data protection.  
  The Welsh Government co-ordinates preparedness across Wales by running the Digital and Data Preparedness Group (DDPG) for all sector leads to help support mitigation work. | The **UK Government** has sole responsibility for compliant data flows between UK and EU. The **Welsh Government** will support Welsh citizens, businesses and public services in preparations for any changes to current processes. |
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| **Red Meat Sector**    | Crisis intervention Schemes will be required to mitigate the impact of any significant new trade barriers could hugely damage the red meat sector if support Is not provided.  
A targeted intervention scheme would ideally be needed to provide support to Welsh sheep farmers should an increase in tariffs affect our export market to the EU.  
This action is predicated on being part of a UK wide scheme but may need to be replaced with different actions if Wales has to act independently of England. | The Welsh Government, together with the UK Government and other Devolved Governments have developed a UK-wide contingency plan in response to the potential impacts on the sheep sector however the operational design is yet to be completed.  
The Welsh Government continues to press the UK Government to make funding available to support farmers and meet the cost of this scheme in the event of significant market impacts. | The [Welsh Government](#) has direct responsibility for Agriculture in Wales however the [UK Government](#) has overall responsibility for trade and on-going negotiations could have a significant impact for the red meat sector in Wales/ |
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<td><strong>Fisheries Support</strong>&lt;br&gt;Support would be required if significant new trade barriers results in the collapse of the fisheries markets for Welsh suppliers.</td>
<td>Due to the seasonal nature of the industry in Wales, The Welsh Government has reassessed how vulnerable the industry would be based on the level of activity expected during the first quarter of 2021. A crisis intervention schemes would be required to mitigate the impact of any significant new trade barriers and any subsequent collapse of the fisheries export market (especially shellfish). This action is predicated on being part of a UK wide scheme but may need to be replaced with different actions if Wales has to act independently of England.</td>
<td>The Welsh Government is pressing the UK Government to make funding available to support fishers and meet the cost of an intervention scheme in the event of significant market collapse.</td>
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| Respective responsibilities of UK Government and Welsh Government (within its devolved competency) | |
| The **Welsh Government** has direct responsibility but is working in collaboration with UK Government as the whole UK sector will be affected the absence of a trade deal. |
### AREA C – Public Services and Communities

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<th>Respective responsibilities of UK Government and Welsh Government (within its devolved competency)</th>
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<tr>
<td><strong>Settled Status Advice</strong></td>
<td>Ensure access to appropriate advice services, protection from exploitation and exclusion, and encouragement to EU citizens to continue living in Wales.</td>
<td>This is a non-devolved area and the Home Office is responsible for the successful delivery of the EU Settled Status scheme in Wales.  The Welsh Government will continue to provide additional services at a devolved level.  The Welsh Government continues to work with the Home Office in regards to future UK wide support services and will deliver targeted communication and engagement campaigns to reach groups vulnerable to not applying for the EU Settled Status scheme by the deadline of 30 June 2021.</td>
<td>The <strong>UK Government</strong> has responsibility for migration policy and the settlement scheme but The <strong>Welsh Government</strong> will continue to deliver some support and advice services in Wales.</td>
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<td><strong>Transport</strong></td>
<td>Engage with the UK Government on wider transport issues (e.g. haulage permits, air travel) to protect interests of Wales.  If no future relationship is agreed the UK Government must agree mitigating measures with the EU ahead of 1 Jan 2021 or face major disruption.</td>
<td>The Welsh Government will continue to work with UK Government on contingencies, including the provision of UK primary legislation to enable us to implement ECMT permits.  The Welsh Government will continue to work with the Freight Transport and Road Haulage Associations to ensure we understand Welsh hauliers’ concerns and needs.  The Welsh Government is also involved in the re-established Freight Capacity Utilisation Board, overseeing a call-off the category 1 freight capacity framework for the end of transition.</td>
<td>On-going negotiations with regards to the future UK/EU relationship is the responsibility of the <strong>UK Government</strong>, as is aviation, air transport and road freight transport, but The <strong>Welsh Government</strong> will continue to monitor impact for Wales and engage to best represent the needs of Welsh hauliers and aviation.</td>
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### AREA D – Operational Activities

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</table>
| **Ports – Traffic Management**  
The UK Government has proposed that border checks are phased in on goods arriving in to Great Britain from the EU. | The Welsh Government will ensure it can discharge its legal obligations in relation to the operation of the UK’s borders. The Welsh Government and UK Government to work together to ensure Sanitary and Phyto-Sanitary (SPS) controls can be delivered – which requires the development of physical infrastructure to service Holyhead and ports in South West Wales. The Welsh Government will work with Local Authorities to develop the necessary Port Health Authority capacity. The Welsh Government will seek to ensure Welsh ports are treated fairly by UK Government in the reserved areas of border preparation. | The Welsh Government will need to oversee the construction of two inland sites one to service Holyhead and one to cover ports in South West Wales. It has been agreed that HMRC will lead on the delivery of the Holyhead site (with the Welsh Government supporting) and Welsh Government will lead on the delivery of the South West Wales site. The Welsh Government will continue to work with Local Authorities to determine the best approach in terms of planning and agreeing sites. The Welsh Government is working closely with HMRC / Border Force to make contingency plans for the delivery of the necessary checks at Welsh ports. The Welsh Government will continue to press the UK Government for firm governance arrangements, clarity on operational requirements under the Northern Ireland Protocol and financial support. | The **Welsh Government** is responsible for SPS and related checks within devolved competence. The **UK Government** is responsible for overall borders and customs arrangements and related activities. |
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<tr>
<td><strong>Ports – Traffic Management</strong>&lt;br&gt;There could be significant disruption at ports as the EU are likely to apply full border controls on 1 January 2021.</td>
<td>The Welsh Government will prepare mitigations for traffic disruption resulting from new border checks required from 1 January 2021.</td>
<td>The Welsh Government has recently received updated ‘flow analysis’ in line with the reasonable worst case scenario at the border to articulate the possible scale of the issue. The Welsh Government has already developed contingency plans as part of the ‘Preparing for a No Deal Brexit’ planning and these are being reviewed and revised as necessary in conjunction with the UK Government and Local Authorities to account for the additional uncertainty and space restrictions created by new border infrastructure.</td>
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<tr>
<td><strong>Environment, Energy and Rural Affairs Systems Preparation</strong>&lt;br&gt;Welsh Government must implement a number of new operational systems across a wide range of policy areas (e.g. chemicals, pesticides, plant and animal health, water, waste, food, fisheries, etc.).</td>
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<td><strong>EERA Systems Preparation (Cont)</strong>&lt;br&gt;Many of the systems will be critical for the import and export of animals, products of animal origin and plant material which aim to protect human, animal and plant health. Others enable the ongoing delivery of environmental obligations under international law, for example the management of ozone depleting substances, fluorinated greenhouse gases and air quality. Some systems are needed to enable the ongoing safe management of chemicals and pesticides. There are also new systems needed for fisheries, covering the enforcement in Welsh waters and ongoing trade. For many the Welsh Government will have to discharge specific legal responsibilities after 1 January 2021.</td>
<td>Welsh Government is managing and monitoring progress on over 70 preparedness projects in the areas of the environment, energy and rural affairs, which put in place a range of contingency arrangements and new operational systems across a wide range of policy areas to enable devolved sectors in Wales to continue in as much of the “business as usual” sense as possible. Continue to engage and work collaboratively with the UK Government, other Devolved Governments and external delivery bodies on the planning and implementation of UK wide systems.</td>
<td>The Welsh Government is working closely with the UK Government, Devolved Governments and related delivery bodies to firm up framework arrangements and establish necessary new systems and processes. The Welsh Government’s extensive legislative programme is progressing well and is on track.</td>
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<td><strong>Erasmus+</strong></td>
<td>UK Government to secure continued participation in Erasmus+ or engage further with Devolved Governments with regards to the development of a domestic alternative.</td>
<td>The Welsh Government continue to press the UK Government for continued participation in Erasmus+ from 2021-22 onwards including on a Wales-only basis as a fallback if necessary. In addition the Welsh Government are engaging with the Department for Education and Devolved Governments on the co-production of options for a UK-wide domestic alternative scheme or even a Wales only scheme should the situation arise.</td>
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### AREA E – Welsh Government Resourcing and Responsibilities

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<tr>
<td>EU Exit Finance Implications</td>
<td>The UK Government must be forthcoming in setting out the implications for Wales of its one year Spending Review. Financial commitments from the UK Government are sought ahead of the next financial year and in enough time to allow the Welsh Government to budget appropriately for 2021/2022 in December 2020. The UK Government must honour its commitment to ensure that Wales receives the same level of funding as it would have had we not left the EU.</td>
<td>The Welsh Government continues to press HMT to honour the UK Government’s commitment to Wales of “not a Penny less” and we are pressing for further engagement around the Spending Review. The Minister for Finance and Trefnydd has written to the Chancellor setting out the significant resources the Welsh Government needs to replace EU funding in full, support the transfer of new functions and ensure a smooth transition for our businesses and communities in Wales.</td>
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Respective responsibilities of UK Government and the Welsh Government (within its devolved competency): It is within the UK Government’s remit to ensure it provides the Welsh Government with the same financial support that would have been received from the EU, had we remained so that Welsh Government can continue to deliver its functions within its devolved competency.
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| **Replacement Regional Funding**  
There is a need for a replacement funding stream for regional investment in Wales to replace EU funds at the end of the 2014-2020 programme period. | Ensuring the Welsh Government on behalf of Wales receives similar funding from any Shared Prosperity Fund as it would have from European Structural and Investment Funds (ESIF) and has control over how that can be deployed. | The Welsh Government continues to press HMT to provide clarity to on the planned design and allocation of the UK Shared Prosperity Fund (SPF). Discussions continue around the Comprehensive Spending Review. Spending power provisions in UK Internal Market Bill pose a significant and additional threat to Welsh Government’s position on the direct transfer of funding and autonomy over decision making. The Welsh Government has published amendments to the Bill to enable the Bill to be changed during its scrutiny in Parliament to respect the current devolution settlement. In anticipation Welsh Government has for some time been, working with its stakeholders, is leading on developing a new Framework for Regional Investment in Wales. Welsh Government is actively planning implementation of this successor programme from April 2021 though developments are dependent on confirmation from the UK Government of funding and the Welsh Government’s autonomy to agree prioritisation of funding. | It is the **UK Government’s** remit to ensure it provides the **Welsh Government** with the same financial support that would have been received from the EU, had we remained, so that the **Welsh Government** can continue to deliver its functions within its devolved competency. |
| **Legislation – Statutory Instruments**  
As the UK leaves the EU and its obligation to adhere to EU law, there is a requirement to develop and implement new legislation in both the UK and Wales to ensure a functioning statute book at the end of Transition Period and to implement the Withdrawal Agreement and related agreements. | The Welsh Government must deliver our programme of EU Transition Statutory Instruments (SIs) in the Senedd and support and consent to relevant UK SIs to be progressed in Parliament in devolved areas. **UK EU Exit SI Programme**  
By the end of transition, since the work began in 2018, the Welsh Ministers will have consented to over 200 UK SIs in devolved areas. Some UK SIs in devolved areas are being identified by the UK Government to be laid in early 2021. **Welsh EU Exit SIs**  
Before exit on 31 January 2020, the Welsh Ministers made 51 SIs to amend EU-derived law and around over 20 EU Exit SIs are anticipated by the end of transition. A small number of Welsh SIs, not required by the end of the Transition Period, will be laid in 2021. | The **UK Government** for non-devolved areas. The **Welsh Government** for devolved areas. |
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<tr>
<td><strong>New Additional Functions</strong>&lt;br&gt;The Welsh Government has important functional responsibilities post EU exit, including delivery of operational systems and areas with new rights of policy initiative. These functions must be implemented following the end of Transition Period to ensure ongoing compliance with the Welsh Government’s responsibility and related legislative frameworks.</td>
<td>The Welsh Government is seeking to work with UK Government to determine the total number of additional functions which fall to the Welsh Government.&lt;br&gt;The UK Government to identify the priority cross-cutting and portfolio functions and work with the Welsh Government to better understand the nature and scale of the changes, and to enable evidence based understanding of the impact of leaving the EU on the Welsh Government and Wales in terms of new responsibilities and constitutional priorities.&lt;br&gt;The Welsh Government will work to secure additional funding from UK Government to support operation of these of functions and agree future approach on frameworks.</td>
<td>The Minister for Finance and Trefrydd has written to the Chancellor, noting the severe significant financial implications of the functions which will fall to the Welsh Government, and pressing for the UK Government to provide sufficient resources for Wales to undertake these.</td>
<td>The <strong>UK Government</strong> for non-devolved areas.&lt;br&gt;The <strong>Welsh Government</strong> for devolved areas.</td>
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<td><strong>EU Negotiations</strong>&lt;br&gt;Includes urgent negotiations on most pressing unsettled elements of economic and security relationship with EU, as well as on wider issues such as fisheries, mobility and participation in EU Programmes.</td>
<td>The Welsh Government seeks to influence and be appropriately involved in the UK’s negotiations with EU now and after the end of the Transition Period – interlinked with the negotiations taking place with New Zealand, Australia, Japan, USA.</td>
<td>Negotiations between the UK Government and the EU are on-going.&lt;br&gt;It seems likely that any agreement reached with the EU will be limited in nature.&lt;br&gt;The UK Government has not provided Devolved Governments with a meaningful opportunity, consistent with the protection of devolved interests, to influence the UK negotiating position. Notwithstanding this, the Welsh Government has taken every possible opportunity to put forward approaches to the UK-EU negotiations which reflect Wales’ interests.</td>
<td>The negotiation of international trade agreements is reserved and the <strong>UK Government</strong> is responsible for high level negotiations.&lt;br&gt;The <strong>Welsh Government</strong> is responsible for observing and implementing international obligations.&lt;br&gt;Trade has implications on a number of devolved areas of competence, such as fisheries, red meat, food etc therefore Welsh Government has a role in ensuring Wales’ interests are represented in any future trade deal with the EU.</td>
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<tr>
<td>Strategic Risk</td>
<td>Action Required</td>
<td>Lastest Position</td>
<td>Respective responsibilities of UK Government and the Welsh Government (within its devolved competency)</td>
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| **Negotiations with the Rest of the World**  
Trade deals with countries outside of the EU must be sought and established. | The Welsh Government will continue to develop Wales’ negotiating positions across all negotiating chapters. | Engagement with the Department for International Trade (DIT) and other relevant UK Government departments has been positive. Despite the Trade Concordat between the governments not being signed off, DIT are working to the spirit of it and there has been very good engagement with the Welsh Government since the negotiations with the priority countries. The Welsh Government had input in to the negotiation mandate developments and receives regular progress updates from the UK Government. | The negotiation of international trade agreements is reserved and the UK Government is responsible for high level negotiations. The Welsh Government is responsible for observing and implementing international obligations. |
| **UK Government Engagement**  
There is a vast number of areas across legislation, functions, frameworks, negotiations etc. where collaborative action must be undertaken between the UK Government and the Devolved Governments. | The Welsh Government will continue to be a constructive, consistent participant on the UK stage, building and maintaining strong working relationships with the UK Government and with Parliament and others at a UK level. The Welsh Government will seek to use its broader communications, to seek to manage the end of Transition Period as smoothly as possible. | The Welsh Government is continuing to seek engagement, but with limited reciprocation from the UK Government in some important. There has been extensive joint working with the other Devolved Governments to seek to identify areas of common interest. | The UK Government has a responsibility to work with the Devolved Governments on areas of interest and responsibility for the devolved governments, and on the development of devolution and the UK constitution more broadly. The Welsh Government seeks to work closely with the UK Government and the other Devolved Governments to support the strengthening of devolution, to ensure respect for the devolution settlements, and to represent the interests of Wales in discussions. |
Civil Contingencies

Civil contingencies enable governments at all levels and the emergency services to respond to crises – to natural disasters; extreme weather events; terrorist attacks and infrastructure failures. In the context of leaving the Transition Period, our aim is to minimise the likely need for a civil contingencies response. We are doing this by working across the Welsh Government and with public services and other partners to ensure mitigation measures are in place to avoid significant disruption to essential services and supplies at the end of the Transition Period.

Whilst still focusing on supporting the response to COVID-19, the Welsh Government is continuing to work closely with the UK Government and other Devolved Governments in relation to the planning arrangements for the end of the EU Transition Period. The challenge of managing the end of the EU Transition Period cannot be completed in isolation and arrangements need to consider the possibility of any concurrent disruptive challenges presented by the winter months, the very real and ongoing challenge of COVID-19 and a combination of those. Each of the four governments are drafting their Concept of Operations which sets out the Command, Control, and Coordination (C3) system that will stand-up for end of the Transition Period and how they will link together to enable each government, both individually and collectively, to identify and react swiftly to any emerging disruptive challenges.
EU Transition Fund

Announced in January 2018, the EU Transition Fund is an important element of the Welsh Government’s package of measures to manage the impacts of EU Exit and future proof the economy. It was designed in collaboration with external partners to make up to £50 million available to support private, public and third sector organisations prepare for the significant changes associated with leaving the European Union.

Only matters, that fall within the remit of the Welsh Government, are eligible for support. We continue to look to the UK Government to make good on its responsibilities, such as providing funding to deal with any changes to customs arrangements.

Project delivery has been inevitably disrupted by COVID-19 in some cases, but we continue to seek novel ways to assist partner organisations to respond to the end of the Transition Period.

The range of interventions we are supporting through the EU Transition Fund includes:

• Over £9m to support businesses adapt to a post Transition Period environment;
• £5m to support research and preparation work to support farming, food and fishing sectors after the end of the Transition Period;
• Up to £3.5m support for Welsh Universities to drive international partnerships and promote Wales as a study destination;
• £600k to support preparations for successor arrangements to EU structural investment funds and implementation of a post-EU regional investment model for Wales.
• £1.2m to support local government of which £250k has been provided to the Welsh Local Government Association and the remainder to local authorities to support them with their plans and preparedness for EU exit;
• £150k to support Wales Council for Voluntary Action consider how EU Exit will impact on community services in Wales;
Next Steps

As a responsible government we will continue to prepare for the end of the Transition Period, taking action where possible to support people, communities and businesses across Wales.

This document is intended to outline the range of work underway across the Welsh Government and with our partners as we face the challenges of coming months.

The Welsh Government and our partners will continue to engage with stakeholders and will ensure that information and services provided through the ‘Preparing Wales’ and the ‘EU Transition Portal’ websites are up to date. We will also work to ensure continued engagement through established stakeholder forums, with business, local government, other public sector partners, the third sector, and with trade unions.

If a future relationship deal emerges in coming days and weeks we will work to interpret and communicate the impact of any deal for our partners, stakeholders and the public, and will seek to work with the UK Government in doing so. Further information on actions needed to implement any deal will be a core part of this. The Welsh Government has consistently advanced the interests of Wales in discussions with the UK Government on priorities for the negotiations with the EU. It will be for the UK Government to explain whether the outcome to the negotiations reflects these priorities.

Annex A provides information on additional advice and support services for individuals and businesses in Wales.
Annex A – Links to Additional Advice

https://gov.wales/preparing-wales
https://developmentbank.wales/
https://businesswales.gov.wales/
https://businesswales.gov.wales/brexit/

Business Wales Helpline
Telephone: 0300 060 3000
Monday to Friday, 8:30am to 5:30pm
businesswales.gov.wales/contact-us

Welsh Government Contact
0300 060 4400
Monday to Friday, 8:30am to 5pm
customerhelp@gov.wales