

## EUROPEAN AND EXTERNAL AFFAIRS COMMITTEE

<b>Date:</b>	14 October 2004
<b>Time:</b>	09:00 am
<b>Venue:</b>	Committee Rooms 3 and 4, National Assembly for Wales, Cardiff Bay
<b>Title:</b>	New Structural Funds Regulations

**Purpose**

1. This paper updates Committee Members on the review of EU regional policy for 2007-13.

**Summary**

2. Draft structural funds regulations were published on 15 July. These are the Commission's proposals for the next framework and it will be the Member States who decide on the final content of Regulations. Negotiations will continue over the next 12 to 18 months and it is possible that the content of the draft Regulations will change during these negotiations, as has happened during negotiations for earlier programmes. The draft Regulations will need to be agreed by the end of December 2005 if the new programmes are to start on the 1<sup>st</sup> January 2007. The United Kingdom hold the Presidency of the European Council during the second half of 2005, when it is hoped that the final decision will be taken on the Regulations and the Financial Perspective.
3. The UK Government position remains that, in the interests of a lower overall EU budget and a smaller structural and cohesion funds allocation, the lion's share of SCF should go to poorer member states.
4. The appointment of Danuta Hübner of Poland as Commissioner for Regional Policy was announced on 12 August.
5. On 15 September, the Assembly Government co-hosted a Wales European Forum, with the European Commission office in Wales, to consider EU regional policy, post-2006. An external stakeholder group, comprising representatives of key organisations in Wales, has been established by the Assembly Government.
6. A note is included in this paper on the associated issue of the review of the regional aid guidelines.

**Consideration**

7. The Commission's proposes there should be three types of programmes: Convergence, Cohesion and Co-operation. These follow the proposals and financial breakdowns reported in the Third Cohesion Report, which the Committee has discussed previously (29 April, 04-04[p3]). Also, as expected, the

policy framework for the new programmes is formed by the Lisbon and Gothenburg agendas (ERDF) and the European Employment Strategy (ESF).

8. An early reaction has been that the draft regulations do not go as far as they might have done in simplification and proportionality of financial control. The general regulations (particularly on financial aspects) are prescriptive in many places and do not give the hoped-for control to Member States and Managing Authorities.
9. The United Kingdom Government remains of the view that the overall budget proposals made by the European Commission for 2007-13 are too high. Within this, it also holds that there should be a smaller budget than that proposed by the Commission for structural and cohesion funds. The Commission proposes that €336 billion should be devoted to regional policy, split roughly 50:50 between "old" member states and those who joined in April this year. The UK believes that less should be spent on "old" member states, with wealthier states taking responsibility for funding their own regional policy priorities.
10. Notwithstanding this general position, the UK Government is participating fully in negotiation of the draft structural funds regulations for 2007-13. This process began informally shortly after their publication, with bilateral meetings taking place between the Commission and a UK delegation that included WEFO officials. Formal talks are now taking place within the "Structural Actions Working Group", currently chaired by the Dutch Presidency of the EU. Assembly Government officials are part of the core group established to prepare the UK lines for each of these meetings, and will attend the meetings in Brussels, for which the UK has 3 places, on a rotational basis. These meetings will take place weekly and the first set of meetings runs to the end of 2004, covering the objectives and general rules of assistance. As Members are aware, it is expected that these negotiations could continue until the end of 2005 or beyond. I was recently consulted by the Rt Hon Patricia Hewitt, Secretary of State for Trade and Industry about the UK Government's approach to these negotiations.
11. To ensure the full involvement of stakeholders in Wales in the process, an external stakeholder group has been established. A list of members is at Annex A. A principal task of this group is to consider and offer advice on how any future structural funds programmes in Wales might mesh fully with Assembly Government priorities, and it is therefore being briefed on work such as the Wales Spatial Plan, revision of "A Winning Wales", the development of the Environment Strategy for Wales, and rural development reform.
12. The Assembly Government and the European Commission in Wales co-organised a Wales European Forum, held in Newport on 15 September. This was a well-attended event, giving stakeholders the opportunity to hear and discuss the Assembly and UK Government perspectives as well as those of the European Commission, WLGA and WCVA. A summary of the day's speeches and discussions is at Annex B.
13. I recently wrote to the Commissioner Designate for Regional Policy, Ms Danuta Hübner, to congratulate her on her appointment, which will take effect from 1 November. I told Ms Hübner I looked forward to meeting her in due course and

hoped she would follow her predecessor's (Michel Barnier's) footsteps by visiting Wales.

## **Review of the Regional Aid Guidelines**

14. The current Regional Aid Guidelines terminate on 31 December 2006. The Commission issued its proposals for the Review of the Regional Aid Guidelines to Member States on 30 April 2004 with a deadline for responses of 1 July 2004. The DTI subsequently issued its UK consultation upon the Commission's proposals on 15 June 2004, with a deadline for responses of 6 September but with early responses encouraged to inform the UK response to the Commission by its deadline.
15. The Commission is proposing that, post 2006, the Assisted Areas should be determined at the level of NUTS 2 areas that exhibit less than 75% of the GDP of the EU 25. Consistent with the Lisbon Agenda, this proposal would significantly reduce the population coverage of the Assisted Areas, both within the UK and also within many of the other EU 15 Member States. Under these proposals, West Wales and the Valleys would retain Assisted Area status, but as an Article 87(3) c area subject to transitional arrangements that would result in declining maximum aid intensities over the period up to 2013. This represents a reasonably good outcome for Wales when considered against the background of the overall reductions in Assisted Area coverage elsewhere.
16. However, there are alternative criteria that might be used to determine the future Assisted Areas map that could potentially produce a more advantageous settlement for Wales. In its response to the Commission's consultation, the DTI set out a range of alternative selection criteria, based upon the concept of using NUTS 3 areas as the core mapping unit. In subsequent meetings it has emerged that the Commission, which has complete competence in this matter, is not minded to move away from the use of NUTS 2 areas for determining Article 87(3)a areas, but that it may be possible to argue more successfully for additional 87(3) c areas based upon a NUTS 3 methodology. The DTI is currently seeking the views and support of other Member States upon the range of alternative mapping options that have been generated, with the objective of gaining greater leverage with the Commission.
17. It is clear from responses received to the DTI consultation that, within Wales, there is a divergence of views over whether a NUTS 2 or NUTS 3 model for the Assisted Areas would produce the best outcome for Wales. I have written to Patricia Hewitt confirming that the Commission proposals form the baseline against which we will judge the merits of any alternative mapping proposals: to be acceptable, any alternative proposal must represent a clear improvement for Wales upon the settlement offered by the Commission.

## **Financial Implications**

18. There are no additional financial implications for the Assembly arising directly from the issues covered in this paper.

## **Compliance**

19. Standing Order 15, in particular 15.2 and 15.3 gives the Committee the function of monitoring the “general impact and consequences for Wales of policies pursued by institutions of the European Union” and drawing “particular issues to the attention of relevant subject committees”.

### **Divisional Contacts**

EU Regional Policy post-2006: Jackie Brown, European and External Affairs Division, Ext 3157

Negotiation of Structural Funds Regulations: Cathy Presland, WEFO, Ext 1527

Regional Aid Guidelines Review: Rob Halford, Economic Policy Division, Ext 3385

**Rt Hon Rhodri Morgan AM**  
**First Minister**

## **Annex A: External Stakeholder Group on EU Regional Policy Post-2006: Membership**

**Chair:** Mr David Pritchard, Director Economic Development & Transport, Welsh Assembly Government

Mr Roger Dinham  
Head of Business Development  
Jobcentre Plus  
Office for Wales

Mr Nigel Adams  
Head of Policy  
Wales Tourist Board

Mr Phil Fiander  
Director, Europe  
Wales Council for Voluntary Action (WCVA)

Dr Neil Wooding  
Equal Opportunities Commissioner

Ms Felicity Williams\*  
Wales TUC

Mr Russell Lawson\*  
Federation of Small Businesses (FSB)

Mr Martin Bibey\*  
Engineering Employers Federation (EEF)

Ms Emma Watkins\*  
CBI (Wales)

Mr David Leron\*  
Wales Manager  
Institute of Chartered Accountants in England and Wales (ICAEW)

Ms Helen Conway\*  
Cardiff Chamber of Commerce

Mr Martin Roberts\*  
Institute of Directors (IOD)

Mr John Lambert  
Strategic & Policy Manager (Environmental Development)  
Environment Agency Wales

Mr Peter Mortimer & Mr Neville Davies

WLGA

Mr Paul O'Donovan  
Welsh Development Agency

Ms Teresa Holdsworth  
Head of European Policy  
ELWa

Mr Roger Carter  
Head of Economic Development  
Higher Education Funding Council for Wales (hefcw)

Dr Emyr Roberts  
Wales European Funding Office

Dr Grant Duncan  
Wales Spatial Plan

Ms Rachel Jones  
Special Adviser

Mr John Neve  
DTI

Mr Gary Davies  
Ms Jackie Brown  
Mr Glyn Stapleton - Secretary  
European and External Affairs Division

\*The Wales Social Partners Unit will be invited to nominate any 2 business members from the overall list of 7 nominees to attend each meeting; additionally, their list is expected regularly to include Wales TUC. Nigel Keane of WSPU will attend as an observer.

**REPORT ON A WALES EUROPEAN FORUM**  
**“WALES IN A NEW EUROPE: EU REGIONAL**  
**POLICY POST-2006”**

**HELD AT THE UNIVERSITY OF WALES,**  
**NEWPORT (CAERLEON)**

**WEDNESDAY, 15 SEPTEMBER 2004**

**ORGANISED JOINTLY BY THE WELSH ASSEMBLY GOVERNMENT AND THE**  
**EUROPEAN COMMISSION OFFICE IN WALES**

**REPORT ON A WELSH ASSEMBLY GOVERNMENT / EUROPEAN COMMISSION  
OFFICE IN WALES EUROPEAN FORUM:  
WALES IN A NEW EUROPE: EU REGIONAL POLICY POST-2006**

Held at the University of Wales, Newport (Caerleon) on Wednesday, 15 September 2004.

**INTRODUCTION AND SUMMARY**

1. The European Commission Office in Wales and the Welsh Assembly Government's European & External Affairs Division (EEAD) organised an informal day-long event to provide an opportunity for discussion among stakeholders about the future of EU regional policy. Speakers included the First Minister for Wales, Rt Hon Rhodri Morgan AM, and Ronald Hall, Deputy Chef de Cabinet to the EU Commissioner for Regional Policy (see Annex 1). Over 200 stakeholders attended the session, among them Assembly Members, Councillors, local government officials, representatives of civic society and the private sector (a list of attendees is at Annex 2). Discussion was facilitated by Ms Ann Beynon, Head of BT in Wales, and Ms Sheila Drury, Chair of the National Council of ELWa. Janet Royall, Head of the European Commission Office in Wales provided concluding remarks.
2. Two key themes emerged throughout the day; these were, the question of how much funding would be available to Wales for regional policy expenditure post-2006, and the call for partnership involvement in future regional development programmes, whether funding was allocated by the European Union or by the Welsh Assembly Government.

**OVERVIEW OF PROCEEDINGS**

**PART ONE: MORNING SESSION, FACILITATOR: MS ANN BEYNON, HEAD OF BT WALES**

3. The First Minister of Wales explained that the purpose of the Wales European Forum initiative was to enable discussion about European issues of major significance to Wales. The subject of today's event could not be more topical. He noted that today's Forum had been jointly organised by the Welsh Assembly Government and the European Commission office in Wales, offering his thanks and best wishes to Janet Royall, who would shortly be leaving the Commission. He was disappointed that Graham Meadows, Director General of Regional Policy, had been detained in Brussels, but delighted to welcome Ronnie Hall to the event instead.
4. The First Minister noted that if Europe was to be prepared for the beginning of new structural funds programmes on 1 January 2007, there was much work to be done. He said that the Welsh Assembly Government welcomed EU enlargement, and indeed was participating in a very practical way in sharing know-how with new member states through the secondment of senior officials. The levels of poverty in many regions of the new member states presented a great challenge to regional policy-makers. But enlargement, and the consequent increase in the relative GDP of Wales, did not mean that its own problems were any less severe. While GDP figures would be updated before final decisions were taken about



future structural funds areas, the First Minister did not expect GDP in West Wales and the Valleys (WWV) to rise greatly.

5. While in an EU of 15 member states, GDP in WWV was 69.6% of the EU average in 2001, in an EU of 25, that figure would have been 76.4%, thus putting WWV into the “statistical effect” category of the new Convergence objective for 2007-13. It was impossible to judge how much funding this might see allocated to WWV, because the overall structural funds budget was subject to decisions about the EU financial perspective. Structural funds were one of the most vulnerable elements of the overall EU budget, given their scale and the fact that decisions had already been finalised for CAP payments until 2013. The likelihood that something would have to give was a point made by the First Minister at his recent keynote speech at the Third Cohesion Forum in Brussels.
6. The First Minister explained that, whether regional policy funding was allocated by Brussels or by the UK Government, the Welsh Assembly Government’s ability then to channel funds to regional development from its own budgets was dependent on the settlement that came to Wales from the UK Exchequer. If public expenditure limits for Wales did not recognise structural funds through additional public expenditure, then the Assembly Government had to choose between structural funds and other priority areas. There could be no reductions in health or education, for example, to support regional policy.
7. The negotiations were clearly going to be complex. The First Minister hoped that the situation would become clearer in 2005, when the UK would hold the Presidency of the EU Council at a crucial stage.
8. Meanwhile, Wales was seizing the opportunity offered by the current structural funds programmes, as witnessed by the recent announcement by Andrew Davies, Economic Development and Transport Minister, of the 2,000<sup>th</sup> Objective 1 project.

### **Department of Trade & Industry**

9. John Neve reminded the audience that a lively debate had taken place when he last addressed a Welsh Assembly Government event, which had taken place in 2002, in Swansea. Today’s event was being held just as the Dutch Presidency began to hold almost weekly meetings to negotiate the draft regulations.
10. Mr Neve said the responses from stakeholders in Wales to the UK Government consultation document “A Modern Regional Policy for the United Kingdom” (Crown Copyright, 2003) had been welcomed and carefully analysed. From the consultation, the UK Government had concluded that its objectives should be to achieve a regional policy that was sustainable, affordable, effective and fair to all, while providing value for money for the UK taxpayer.
11. There were many aspects of the Commission proposals that the UK Government supported. Particularly, it approved of the proposed increased strategic focus of structural funds programmes and simplification of management. It was also supportive in principle of the proposals for a new Cooperation objective. However, the UK Government thought that the Commission’s proposed budget for structural (and cohesion) funds of €336 billion was unrealistic and represented an excessive burden on the net contributor Member States. It also thought that

the proposals suggested too much would be allocated to the western Member States. The UK thought the future programmes should be subject to four principles:

12. the 2007-13 structural funds budget should be subject to tight budget discipline, within an overall EU budget that did not exceed 1% of EU Gross National Income (GNI).
13. the structural funds should be targeted where they could add the most value, primarily to the new Member States. Richer Member States should take responsibility for their own regional policies through national resource allocation, taking into account the EU policy agenda, which would be set out in national "EU Framework" documents.
14. there should be a strategic emphasis on the Lisbon (competitiveness) and Gothenburg (sustainable development) agendas
15. management of the funds should be simplified and should respect national constitutional arrangements, such as UK devolution.
16. For Wales, if the UK position came to be adopted by the European Council, the loss of structural funds would be compensated for. The UK Government had guaranteed that Wales would not lose out.

### **The European Commission – DG Regional Policy**

17. Ronnie Hall commented that negotiations were now entering an intensive, formal stage, under the Dutch EU Presidency. He reminded the audience that both ECOFIN (Finance Ministers) and the General Affairs Council (GAERC – Foreign Ministers) had a strong involvement in the post-2006 debate, and that both had had meetings in the past week.
18. Mr Hall noted that while the draft structural funds regulations had been published on 14 July, the ground had been well-prepared by the contents of the Third Cohesion Report. The new Commission was not expected to change in any significant respect the proposals already made.
19. The Commission proposed that 0.41% of EU GNI should be spent on the structural and cohesion funds. This was the same percentage as now. Mr Hall said this was an ambitious but reasonable proposal and later commented on the trade opportunities created within the EU as a result of structural funds programmes in the poorest regions. Of this, the top priority was the Convergence (formerly Cohesion and Objective 1) regions, within which the Commission proposed reasonably generous arrangements for the statistical effect regions, such as WWV.
20. There was no point focusing all the resources on the new member states in the next programmes, because they were likely to have difficulties in absorbing anything more than allocations that did not exceed 4% of their GDP.
21. Mr Hall emphasised the read-across between structural funds reform and the ongoing reform of the state aids régime. State aid could not and should not

replace regional policy, nor could any Member State grant state aid that did not comply with the rules. The 2007-13 regional aid guidelines would not, by themselves, permit the delivery of comprehensive regional policies, and structural funds remained wholly relevant across the EU. DG REGIO had fought to convince the Competition Directorate that support for new policies such as broadband and venture capital should be permitted.

22. On simplification, the Commission had made several proposals, which would leave much of the responsibility for programme development and implementation to Member States and other authorities. The Commission believed that where its contribution to a programme was less than that of the Member State, financial control should rest with the latter.
23. In bilateral meetings between former Commissioner Barnier and the Chancellor of the Exchequer, Commission officials had noted that Mr Brown did not rule out the possibility of EU funding for the UK statistical effect regions and for Cornwall. The Commission disagreed with the call for an EU budget constrained to 1% of EU GNI, and had noted that while 6 Member States were agreed on this call, there was by no means agreement about how the savings should be achieved at the overarching policy level, or within the structural and cohesion funds.
24. Mr Hall noted that he was sceptical that there would be agreement on the proposals by June 2005. He also warned that Wales should remain vigilant throughout the negotiations.

#### **Question and Answer Session – Morning Plenary**

25. Questions asked permitted the DTI and Commission speakers to develop further their presentation of their respective politicians' positions on how much of the overall EU budget should be made available for structural and cohesion funds, and on where the focus of spending should be, within the enlarged EU. Both speakers recognised that there was a long period of negotiation ahead, and John Neve in particular highlighted the common ground that already existed. There was some discussion about the UK's overall position on the 2007-13 EU budget, including the UK stance on its abatement. Mr Neve explained the UK Government's guarantee to the Devolved Administrations, while Welsh Assembly Government officials noted that should the guarantee be applied, the Assembly Government would then be responsible for its allocation, as part of the overall budget process.
26. Ronnie Hall brought into the discussion the question of the review of the regional aid guidelines and the limitations that the post-2006 guidelines might place on member states' room for manoeuvre. He explained that DG-Regio had worked hard to secure DG-Competition's commitment to the post-2006 proposals, which would be unworkable without appropriate state aid flexibilities. Emyr Roberts, for the Welsh Assembly Government, emphasised the need to ensure that state aids rules did not jeopardise some of the benefits offered by structural funds programmes.
27. Mr Hall also argued that structural funds were likely to have a higher leverage effect on private funding to a region than similar national activities.

28. On future policy priorities, questions were asked in particular about sustainable development and social inclusion.

**PART TWO: AFTERNOON SESSION, FACILITATOR: MS SHEILA DRURY,  
CHAIR OF THE NATIONAL COUNCIL, ELWA**

**Wales Council for Voluntary Action**

29. A transcript of the speaking note used by Tom Jones OBE for the WCVA is attached at Annex 3.

**Welsh Local Government Association**

30. A transcript of the speaking note used by Cllr Chris Holley for the WLGA is attached at Annex 3.

**The European Commission – DG Employment and Social Affairs**

31. A transcript of the speaking note and slides used by Santiago Loranca Garcia for DG-Employment and Social Affairs is attached at Annex 3.

**Question and Answer Session – Afternoon Plenary**

32. Questions in the afternoon focused on the links between ESF and the social justice agenda; the needs of an ageing EU population; and the future role in structural funds programmes of the private sector. Many audience members underlined the importance of partnerships in design and implementation of structural funds programmes.

Closing Remarks – Janet Royall, European Commission<sup>33</sup> Janet Royall thanked all the day's speakers and facilitators. She called on attendees to celebrate the huge potential of an enlarged EU, emphasising that the impact on Wales should only be positive, which called on all involved to work in partnership to ensure the best deal for Wales from the post-2006 debate. Today had been a strong example of partnership, and in particular of the strong relationships between the Welsh Assembly Government and the European Commission, and between Wales and the rest of the EU.

Welsh Assembly Government/European Commission Office in Wales  
September 2004

## **Annex 1**

### **List of Speakers**

Rt Hon Rhodri Morgan AM, First Minister of Wales

Ronnie Hall, Deputy Chef de Cabinet, DG-Regional Policy, European Commission

John Neve, Director of Regional Policy & Devolution Directorate, Department of Trade & Industry

Councillor Chris Holley, Welsh Local Government Association

Tom Jones OBE, Chair, Wales Council for Voluntary Action

Santiago Loranca-Garcia, Head Of Unit, DG-Employment and Social Affairs, European Commission

### **Facilitators**

Ms Ann Beynon, Director, British Telecom in Wales

Ms Sheila Drury, Chairman of the National Council, ELWa

## Annex 2

### Attendees

Rt Hon Rhodri Morgan AM, First Minister for Wales

### Annex 3: Afternoon Session of Wales in a New Europe Forum, transcripts of Speeches

- **1. Speech by Tom Jones OBE, Chair, Wales Council for Voluntary Action**

WCVA warmly welcomes the opportunity today, to stand on a platform with representatives of the European Commission, the National Assembly for Wales, the DTI, and the Wales Local Government Association, to discuss issues pertinent to the regional development of Wales.

Why? Well, there are some 30,000 organised voluntary groups in Wales, active across a spectrum of social, educational, environmental and economic activity. Harnessing public funds in a targeted way to their dynamic, creative, caring, voluntary efforts is a very effective way of making real differences in tackling exclusion and improving the quality of life for people in disadvantaged areas. That's why we have a strong vested interest in the future of European regional policy, funding streams and priorities.

As we reflect on the experience of the Structural Funds programme since 2000, and look ahead to the opportunities post-2006, I think this event is a timely reminder of the significant strides and commitments that have been made in Wales to promote equality, partnership working and good governance as central principles of regional policy. For the voluntary sector in Wales, these have been undoubtedly among the greatest gains of involvement with European funding.

I am here today to represent the views of the voluntary sector on the future of regional development policy in Wales. These opinions are outlined in WCVA's response to the **Third Report on Economic and Social Cohesion**. I will raise a number of central points today, although I do not have time to go into great depth – there are however plenty of copies of the full response available from the WCVA stand. The proposals from the Commission are generally welcomed and WCVA is fully supportive of a balanced Cohesion policy, which focuses on the areas of greatest need. However, WCVA strongly believes that Structural Funds remain vital to the development of regions that are still lagging behind in the **EU-15**. The assurance of the Commission and the UK Government with regard to continued investment in the **statistical effect regions** is welcomed; However WCVA urges the Welsh Assembly Government to insist that the UK Government present a clear proposal for ***repatriation of funds*** to domestically manage ***regional policy***, so that the implications of each option can be fully debated. Regardless of the source of funding for regional policy post-2006 WCVA would seek to ensure a commitment to a longer-term, sustainable funding framework, and the provision of a definite role for

civil society in partnership arrangements and structures. Significant progress has been made over the past four years, but there is still work to be done.

During 2000-2003, the voluntary sector successfully secured over 10% of the total Objective One programme for West Wales and the Valleys. WCVA's ***Voluntary Sector Support Unit***, part-funded through **ERDF Technical Assistance**, has been influential in building the capacity of the sector, promoting sound project management, to help voluntary and community groups avoid potential pitfalls and deliver effective and efficient outcomes. Considerable investment has been made in assisting the sector to engage effectively with the Structural Funds and the result has been a notable improvement in the quality of projects approved by WEFO. **WCVA would strongly urge the Commission and the National Assembly for Wales to ensure continued funding for such vital support services.** In addition, it is hoped that the Commission's proposals regarding **simplification** will apply not only at central administrative level, but also to delivery at project level, enabling small community groups, with limited capacity, to participate more actively in the future Structural Funds programme.

Through partnership working and a commitment to good governance, as a key representative of civil society in Wales, WCVA has successfully engaged with the **design, implementation and delivery of regional policy**, and local and regional civil society organisations have become actively involved in setting the regeneration and economic development agenda. WCVA's European team were involved in the design of the Objective One **SPD** for Wales; representatives sit on the **PMC** and other committees to ensure effective management of ESF; and WCVA is also a deliverer of projects supported by Structural Funds.

WCVA administers European projects to the value of approximately **£25m** on behalf of the sector in Wales, and is itself a key deliverer of social inclusion initiatives. We have been involved in **two** very practical examples of how working in **partnership with the statutory sector** can bring about very significant and tangible results.

The **North Wales Labour Market Intermediary** is supported by a regional partnership comprised of Jobcentre Plus, Working Links, Welsh Development Agency (WDA), Careers Wales, ELWa, and the four local authorities in North West Wales: Conwy, Denbighshire, Gwynedd, and Ynys Mon. Over **3 years** the project will provide training, development and real work opportunities for over **900** of the most socially and economically disadvantaged individuals in North Wales, through the support of over **20 social enterprises**. WCVA welcomes recognition in the **new ESF Regulations** of the valid role of intermediate labour market measures and social enterprise in aiding labour market inclusion for disadvantaged groups. Wales has lengthy experience of dealing with the problems of economic inactivity and social exclusion, and **WCVA wishes to highlight and promote the important role played by voluntary and community groups in engaging with people who are on the periphery of society.**

The **Social Risk Fund** is a second example of partnership working with the statutory sector. An initiative supported by ESF, and match funded by the National Assembly, the scheme provides revenue funding for project activity of up to **£10,000** to small community groups. In 2001-2003 **£2.2m** was awarded to **259** groups, and the project continues to make an impact across the Objective One and Three areas in Wales.

As the name suggests, there is an element of risk inherent to this project, but whilst the impact may be in some respects difficult to capture, the qualitative benefits and the meaning to local communities is immeasurable. **WCVA very much hopes that this type of initiative, which allows European funds to flow directly to the areas of greatest need, will receive the Commission's support in the future programmes.**

In addition to representing the interests of civil society during the current programme, WCVA has been fully engaged in Wales, London and Brussels with the post-2006 Structural Funds Reform.

The current Objective One Programme has provided a **sound framework for regional policy**, which has allowed the voluntary sector to deliver initiatives against strategic objectives. Moreover, **multi-annual funding** has provided much needed medium term support, to facilitate innovative projects that would otherwise simply not have taken place. WCVA welcomes the proposal by the Commission to ensure, post-2006, that the policies of Member States are closely in line with the **European Employment Strategy**, and that the ESF will also be linked to the delivery of social inclusion and education and training objectives. WCVA represents many voluntary and community organisations whose primary objectives are to promote social inclusion; the ESF will enable the sector to target resources to the areas of greatest need, and to gauge their contribution towards the 'bigger picture'. Whilst this more broad commitment by the Commission to coherence in EU policy is welcomed, WCVA is concerned about the lack of detail on how the **National Action Plans for Employment and Social Inclusion** and ESF will be integrated, and how the UK regions will be assured of their **equitable involvement** in this important process.

WCVA is fully supportive of the Commission's clear commitment to **good governance** and **partnership working**. However, whilst the importance of the increased participation of the social partners is recognised, I query the apparent reduced priority given to civil society in the new **Structural Fund regulations** in terms of the programming, implementation and monitoring of ESF support. WCVA would wish to see a **more clearly defined role for civil society in partnership arrangements** and a definition of minimum standards in terms of engagement. **WCVA proposes that the Commission should use the new Structural Fund regulations as a tool to enforce the principles of good governance and participatory democracy.** The active involvement of civil society and the social partners should be promoted in equal measure, to enable the sector to fully contribute to regional development.

I hope that my comments so far have conveyed to you the positive attitude of the Welsh voluntary sector towards Europe. The Structural Funds have brought a genuine importance to communities across Wales as to what being part of the European Union actually means. It means creating improved facilities and resources at **community centres**, e.g. **Bridge Mentoring Plus Project**; having better access to **community-based training and development**, e.g. **Mentro Lluest** in Aberystwyth; taking a first step back into employment with support and encouragement from local people; **celebrating local heritage and using it to engage with diverse communities**, for example the **Pillgwenilly Community Centre** in Newport, that **Santiago Loranca-Garcia** from the European Commission visited this morning. The list of impacts on individuals is endless, but the bigger picture is that people are now living in safer, more confident and vibrant communities.



The voluntary sector has the ability to reach parts of society that the statutory sector traditionally finds it difficult to engage with. The sector is independent, it is benevolent and philanthropic: economic and social needs are intertwined; you cannot invest in one and ignore the other. Sustainable development requires long-term investment and local ownership.

The voluntary sector has a crucial role to play in terms of supporting people who are socially excluded, for example through intermediate labour market initiatives, social enterprise, volunteering and community development activities. Voluntary sector and community groups get to the heart of tackling the issues of disadvantage, economic inactivity and peripherality that face Wales. The work of the sector is wholly relevant to people's lives, and I firmly believe that the *real* benefits of involvement with the European Union are demonstrated through *participation*.

The Structural Funds bridge the gap between Europe and the people. It is my opinion that involvement with Europe has in fact enhanced the systems of governance and partnership working in Wales, which promote engagement with a more broad and representative cross-section of society. This is a defining characteristic of the experience of Structural Funds in Wales, a successful advancement, which must not be lost in the new programmes.

## **2. Cllr Chris Holley, European Affairs Spokesperson, Welsh Local Government Association**

I would like to thank the First Minister and the European Commission Office in Wales for inviting me to speak here today as WLGA's newly appointed Spokesperson on European Affairs. Upon taking up the post, I was struck by the sheer volume of activity that has already taken place with regard to regional policy in the EU post 2006. I welcome today's forum as an open discussion between all stakeholders on the future shape of this policy.

But before I reflect on future scenarios I think it would be useful if I referred to some of the important developments in the current Structural Fund programmes from a local perspective. These programmes have been significant for a number of reasons:

Firstly, the funding made available has been substantial and has acted as the focal point for regeneration activities for local communities across large areas of Wales. The fact that this funding has been agreed for a seven year period has enabled local organisations to plan for the medium to long-term. This framework has also provided the incentive to ensure that various other funding streams are coordinated at the local level to ensure maximum impact.

Secondly, local partnerships have been developed in all local authority areas in Wales bringing together equal representation from the public, private and voluntary sectors. These partnerships have been key to the adoption of shared visions and strategies for allocating the funds at the local level.

Thirdly, the programmes have provided a real challenge to local administrations in terms of their ability and capacity to jointly develop and deliver projects that have a real impact on the quality of life in local communities.

I have seen for myself how these strands can come together at the local level to promote integrated economic development. In Swansea for example our Local Partnership is delivering 90 projects. These range from projects dealing with youth, transport, and SME development and have to date created over 5,000 jobs.

These are some of the issues that have prompted us as an Association to undertake some work on evaluating the contribution local government in particular, and local partnerships more generally, have made to current programmes. The WLGA has launched today its first publication on local government and structural funds 'Delivering for Local Communities across Wales' which brings together some of the flagship projects developed by local authorities from across Wales. It is hoped that further work will be undertaken between now and Christmas to look at current successes and problems with the aim of learning from experience to improve future development activity. I believe this to be crucial in any discussions regarding the future.

Let me now turn to the debate regarding the future of Cohesion Policy and briefly outline some of the work that the WLGA has been involved in over the last 18 months or so.

In April 2003, recognising the growing influence of European Affairs on the work of local government, the WLGA established its own dedicated presence in Brussels. It was created as Welsh local government wanted to be a key player in Europe, with its own independent voice, reflecting the true local democratic voice we have at home. The recent enlargement of the EU only meant that Brussels has become an even greater cross roads – a place of influence where Wales cannot miss out.

Our European team works closely with the Welsh Assembly Government Office and the Wales European Centre on a day to day basis within Wales House. The office covers a broad range of European issues affecting local government in Wales and the future of Cohesion Policy has been one of its main priorities.

We are aware that the British Government has a vision of a regional policy that is quite different from that of the European Commission. In many cases the UK is right to press for significant reform of regional policy. With regard to the budget the UK is required to seek the best deal for tax payers, but for us it is important that this is not solely focused on regional policy. None of us should forget that overall regional policy does not represent much more than 35% of the overall budget of the European Union.

In Westminster recently, the Join Objective 1 network met and agreed to work closely with a cross party group of MPs in discussions with Ministers in the months ahead. Representatives from Cornwall and the Isles of Scilly, West Wales and the Valleys, South Yorkshire and Merseyside have been joined more recently by the Highlands and Islands and Tees Valley and Durham to campaign for the so called "Statistical Effect". This UK Objective 1 lobbying group is meeting again this afternoon, briefing MP's on our current views on the future of European Cohesion Policy.

But it doesn't stop there.

The Welsh Local Government Association has been working on the future of European funding since early 2003. The Association responded to the UK Government's consultation "A Modern Regional Policy for the UK" in June last year and more recently to the European Commission's Third report on economic and social cohesion.

Welsh Local government has extensive experience in the management and delivery of EU Structural Fund programmes in Wales and wish to see the role of local government, due to its local democratic accountability, continue in these programmes as both a decision maker and deliverer of the policy. In addition, the Association urges the European Commission in the context of the "Ongoing Systematic dialogue with national local government associations" to ensure that local government continues to play a pivotal role in European regional policy.

We have taken a proactive approach at a European level by getting to know other Objective 1 regions across Europe. We are learning from our counterparts in other parts of Europe, carrying out programmes that have already been tested by other local authorities and most of all building the "strategic alliances" that will form the bedrock of the EU compromise that may eventually emerge once the Council's negotiations get underway.

In March this year, following one year of joint working with the other 17 'statistically effected' European regions we signed the Oviedo Declaration in Asturias. The 18 European regions have achieved recognition for the 'statistical effect' in both the Cohesion Report and the subsequent Regulations that appeared before the summer.

During March, we also held a high level seminar in Brussels for our Leaders, Chief Executives and senior European Officers in order to inform and exchange views regarding the proposals for future programmes. This event also involved presentations from colleagues from the European Commission, Statistical Effect lobby and UKRep and was very well received by all participants.

Outside of the current Objective 1 programme in Wales, the Objective 2 programme has also played an important part in delivering economic and social development to our local communities. The Association supports the development of an equitable funding framework for regions, outside the Convergence strand, as recommended in the Third cohesion report, in order to assist these areas with their own specific urban and rural issues.

As a result we welcomed the proposal for a new two fold Objective for "Regional Competitiveness and Employment. However we believe that 18% of overall resources is the absolute minimum if this objective is to remain credible. If we look at communities in East Wales, for example, it is imperative that these communities continue to have further assistance to tackle social and economic deprivation.

We are aware that the future of the "Regional Competitiveness Objective", the successor to Objective 2 remains in the budgetary balance. But that's not all. Radical changes to agriculture and rural development funding, combined with proposals to reduce overall allowable state aids under the new Regional Aid Guidelines will have a combined implication for the local authorities on the ground.

However, Europe is not just about money. Europe is also about working together and having comparable systems into which exchanges, best practice and knowledge transfer can help us **all** improve. It is my belief that we are only just recognising the potential of European regions working together. In the new programming period the third objective, 'the Co-operation strand' will cover cross border activities, transitional working and networks. By implementing transnational dimensions into local authority activity we can assist in improving our own service delivery and enhancing the business potential for the local community.

Since the draft regulations were published by the Commission in July, the WLGA European team have been working to keep local authorities involved in the debates as they emerge. The Committee of the Regions Open Days in two weeks time will be another excellent opportunity for Welsh Local Government to engage in this debate – and I am looking forward to participating in a number of the events.

In the next few months the discussions will begin on the actual way forward in earnest. This will inevitably be a compromise. It always has been.

In Conclusion:

Our experience has shown that European regional policy isn't 'transmitted' from above. It is truly local. It has been an empowering process allowing local authorities and communities to pursue economic development programmes in partnership.

The WLGA sees a need to promote better governance that defines a role for civil society and local government in Wales in the design, implementation and follow up on a future Cohesion policy. Local government itself has the democratic mandate to decide which policy mix, management and delivery structures are the most appropriate to serve the needs and aspirations of our local communities. I therefore look forward to working with the Welsh Assembly Government and other partners, at the earliest opportunity, to find a way forward that is in the best interest of the whole of Wales.

### **3. Intervention by Santiago Loranca-Garcia, Head of Unit, DG Employment and Social Affairs**

#### **Introduction**

I am delighted to be here today to join you in this discussion on the future of the Structural Funds. I would like to focus on the contribution of the European Social Fund and to highlight some of the key features of the Commission's proposals.

The ESF is, and will remain, the European Structural Fund which focuses on people – helping workers to increase their skills; helping people to access and sustain employment; tackling social exclusion and promoting equality.

ESF aims to strengthen economic and social cohesion by supporting Member States' policies aimed at achieving full employment, improving quality and productivity at work, promoting social inclusion and narrowing regional employment disparities. As such, it will continue to make an important contribution to the economic and social challenges facing Wales.

## **ESF in Wales 2000 -2006**

Although it is perfectly understandable that policy makers and advisers should shift their attention to the next round of Structural Fund programmes, you will forgive me if I begin by emphasising that it is essential that we maximise the benefits of the current programmes. Remember, we have over 2 years of implementation and 4 years of expenditure ahead of us under the existing programmes. We need to demonstrate that the ESF adds value to Wales's efforts to achieve its social and economic objectives.

The total investment of the European Social Fund (ESF) in Wales under the current programme round, including Objective 1, Objective 2 and EQUAL, is over £520 million (770 million Euros). When public and private funds are included, this amounts to over £1 billion (1.52 billion Euros) – a very significant investment in upgrading skills, helping people into work, promoting social inclusion and tackling gender imbalances. Indeed, the ESF accounts for a third of the total Structural Fund investment in Wales.

### Slide 1: **ESF in Wales 2000 – 2006**

Objective 1 - £420 million

Objective 3 - £93 million

Equal - £ 12.5 million

Total value of programmes – over £1 billion (includes national contribution)

Much as already been achieved:

### Slide 2: **ESF Main Achievements (2000 – 2003)**

900 projects helping over 147,000 people

11,000 into jobs

27,000 gaining qualifications

However, while congratulating the partnership in Wales on these achievements; we all recognise that more remains to be done. So my first message today is to keep up the momentum and to ensure that the full potential of the current programmes is realised and the ambitious targets we have agreed for Wales are achieved.

## **Employment Challenges facing Wales**

But of course we also need to prepare the ground for the future programming period. We have heard much today about the challenges facing Wales and we in the Commission appreciate that these challenges constitute an agenda which will extend well into the next Structural Fund period.

### Slide 3: **Wales: Key Employment Challenges**

- Increasing employment levels
- Tackling economic inactivity
- Making labour market performance more inclusive
- Improving the skills base
- Tackling gender inequalities

Wales has achieved much over recent years – employment has been rising steadily, unemployment is at historically low levels and the investment in education and skills is beginning to bear fruit. But many challenges remain. Employment levels remain significantly below the UK average (particularly in the Objective 1 region and amongst older workers). Inactivity levels remain high, particularly in the South Wales Valleys. Over one fifth of the working age population has no qualifications. There are particular problems with basic skills and there continues to be a shortage of workers with intermediate skill levels. Gender inequalities remain, both in terms of employment rates and pay.

These challenges must be seen in the context of the broader challenges facing the whole of the EU. Across the EU, employment growth has stagnated. Member States are facing major structural challenges arising from the increasing pace of economic and social restructuring, globalisation and technological innovation. We are also facing a radical demographic shift that is progressively altering the make up of European society and the functioning of the EU economy. The size of the workforce is shrinking – between 2010 and 2030 the EU will lose an average of one million workers per year. This raises difficult questions about how the EU can remain competitive and achieve higher employment and economic growth in the future. We also face the challenges of enlargement, with a significant widening of socio-economic disparities.

### **The future of the ESF**

The European Social Fund can continue to make an important contribution to supporting policies which address these challenges. The proposals in the Third Cohesion Report and the draft Structural Fund regulations outline how ESF resources might be deployed in the next round.

### Slide 4 – **ESF in the new architecture**

- ESF will contribute to both the Convergence and Regional Competitiveness and Employment Priorities;
- Stronger links with EU policies (particularly the EES and the associated targets & recommendations, but also Social Inclusion; Education and Training & Equality);
- Mainstreaming of gender equality and innovative actions;
- New focus on transnational and inter-regional co-operation;

- Promotion of good governance and partnership.

The ESF will contribute to both the Convergence and the Regional Competitiveness and Employment Objectives and will contribute 50% of the European funding available for the latter.

The intention is to adopt a more strategic approach linked to the European and Social Inclusion strategies; to concentrate resources where they are needed most and where there is the potential to add the greatest value. This means there will be a stronger focus on the employment recommendations and targets in the future.

Action to promote gender equality will continue to be mainstreamed and there will be an increased emphasis on the mainstreaming of innovative actions. There will also be a new focus on transnational and inter-regional co-operation.

Finally, the promotion of good governance and partnership is underlined, including the involvement of NGOs and social partners. It is proposed that there should be a ring-fencing of resources (2%) for social partner led activities under the Convergence Objective.

I would now like to turn to the scope for ESF assistance under the two main priorities.

Slide 6 – **ESF Priorities: Convergence and Regional Competitiveness**

- **Adaptability of workers and enterprises** (incl. LLL strategies & systems)
- **Enhancing access to employment** (incl. gender equality & integration of migrants)
- **Reinforcing social inclusion and combating discrimination** (incl. pathways to integration & awareness raising)
- **Mobilising for reforms in employment and inclusion** (incl. development partnerships and pacts)

This slide highlights the priorities which can be supported under both Convergence and Regional Competitiveness and Employment. There will be an emphasis on supporting demand led approaches to training in enterprises and the development of lifelong learning strategies and systems. The focus on preventative and active measures for unemployed or inactive people remains, with a particular focus on increasing the employment of women and the integration of migrants.

The focus on action to promote social inclusion for disadvantaged people remains, including people with disabilities, ethnic minorities and early school leavers, but there will be a stronger emphasis on combating discrimination and promoting diversity. Finally, the ESF will support the development of partnerships or "pacts" in the fields of employment and inclusion, involving relevant stakeholders at national, regional and local levels.

In addition to these activities, the ESF will also support the following priorities in Convergence regions.

## Slide 7 – ESF Priorities: Convergence

- **Expanding and improving investment in human capital** (incl. reforms to E&T systems; increasing participation in LLL; HR linked to research and innovation)
- **Strengthening institutional capacity of public administrations and services** (incl. policy/programme design & development; capacity building)

This includes action to expand and improve investment in human capital, in particular by improving education and training systems, and action aimed at developing institutional capacity and the efficiency of public administrations at national, regional and local level.

### **Key Messages**

I would like to conclude by emphasising a number of key points:

## Slide 8 – Planning for the Future

- Links to EES and SI Strategies
- National Framework Document
- Partnership
- Innovation
- Transnational and inter-regional co-operation
- Final Evaluation 2005

Firstly it is important that Wales appreciates the significance of this refocusing. It is more than a cosmetic or presentational change. In future resources will be concentrated on actions which support the European Employment and Social Inclusion strategies and which address the associated recommendations and priorities. You will need to articulate your needs in this context, including benchmarking yourselves against the relevant indicators and targets.

Secondly, while it is for Member States to decide the territorial basis of implementation, the nature of the devolved arrangements in the UK will in all probability result in separate Welsh operational programmes. It is, however, proposed that there should be a single National Strategic Framework at Member State level. Clearly it is important that Wales is closely involved in the development of this framework and the reporting and review processes which flow from it.

Partnership will remain a key principle of cohesion policy and Wales has a very good track record in engaging the relevant stakeholders at national, regional and local levels in the development and implementation of its regeneration programmes. The new ESF regulation emphasises the importance of developing "partnerships for reform" as a means of promoting employment and inclusion and you need to consider how these might be developed in the Welsh context. Local authorities and NGOs have a key role to play. The social partners must also be actively engaged and consideration needs to be given to how the ring-fenced resources under the Convergence priority might best be utilised.



The next generation of programmes will include a strong focus on innovation and a specific priority on trans-national and inter-regional co-operation. Wales needs to participate actively in the mutual learning agenda – sharing your successes and learning from the experience of others.

Finally, I would like to emphasise the importance of the final evaluation of the current programmes which is due at the end of 2005. We need to ensure we have a solid basis on which to plan for the future and learn the lessons from the current programme round.

## **Conclusion**

I would like to conclude by emphasising that, while the overall level of resources available to support the next generation of programmes may be somewhat less than under the current programmes, the ESF can continue to make an important contribution to regeneration and human resource policies here in Wales. I would also invite you to consider the Commission's proposals for the future of the ESF and to let us have your views. Thank you for your attention

- **1. Speech by Tom Jones OBE, Chair, Wales Council for Voluntary Action**

WCVA warmly welcomes the opportunity today, to stand on a platform with representatives of the European Commission, the National Assembly for Wales, the DTI, and the Wales Local Government Association, to discuss issues pertinent to the regional development of Wales.

Why? Well, there are some 30,000 organised voluntary groups in Wales, active across a spectrum of social, educational, environmental and economic activity. Harnessing public funds in a targetted way to their dynamic, creative, caring, voluntary efforts is a very effective way of making real differences in tackling exclusion and improving the quality of life for people in disadvantaged areas. That's why we have a strong vested interest in the future of European regional policy, funding streams and priorities.

As we reflect on the experience of the Structural Funds programme since 2000, and look ahead to the opportunities post-2006, I think this event is a timely reminder of the significant strides and commitments that have been made in Wales to promote equality, partnership working and good governance as central principles of regional policy. For the voluntary sector in Wales, these have been undoubtedly among the greatest gains of involvement with European funding.

I am here today to represent the views of the voluntary sector on the future of regional development policy in Wales. These opinions are outlined in WCVA's response to the **Third Report on Economic and Social Cohesion**. I will raise a number of central points today, although I do not have time to go into great depth – there are however plenty of copies of the full response available from the WCVA stand. The proposals from the Commission are generally welcomed and WCVA is fully supportive of a balanced Cohesion policy, which focuses on the areas of greatest need. However, WCVA strongly believes that Structural Funds remain vital to the development of regions that are still lagging behind in the **EU-15**. The assurance of the Commission and the UK Government with regard to continued investment in the **statistical effect regions** is welcomed; However WCVA urges the Welsh Assembly Government to insist that the UK Government present a clear proposal for ***repatriation of funds*** to domestically manage ***regional policy***, so that the implications of each option can be fully debated. Regardless of the source of funding for regional policy post-2006 WCVA would seek to ensure a commitment to a longer-term, sustainable funding framework, and the provision of a definite role for civil society in partnership arrangements and structures. Significant progress has been made over the past four years, but there is still work to be done.

During 2000-2003, the voluntary sector successfully secured over 10% of the total Objective One programme for West Wales and the Valleys. WCVA's ***Voluntary Sector Support Unit***, part-funded through ***ERDF Technical Assistance***, has been influential in building the capacity of the sector, promoting sound project management, to help voluntary and community groups avoid potential pitfalls and

deliver effective and efficient outcomes. Considerable investment has been made in assisting the sector to engage effectively with the Structural Funds and the result has been a notable improvement in the quality of projects approved by WEFO. **WCVA would strongly urge the Commission and the National Assembly for Wales to ensure continued funding for such vital support services.** In addition, it is hoped that the Commission's proposals regarding **simplification** will apply not only at central administrative level, but also to delivery at project level, enabling small community groups, with limited capacity, to participate more actively in the future Structural Funds programme.

Through partnership working and a commitment to good governance, as a key representative of civil society in Wales, WCVA has successfully engaged with the **design, implementation and delivery of regional policy**, and local and regional civil society organisations have become actively involved in setting the regeneration and economic development agenda. WCVA's European team were involved in the design of the Objective One **SPD** for Wales; representatives sit on the **PMC** and other committees to ensure effective management of ESF; and WCVA is also a deliverer of projects supported by Structural Funds.

WCVA administers European projects to the value of approximately **£25m** on behalf of the sector in Wales, and is itself a key deliverer of social inclusion initiatives. We have been involved in **two** very practical examples of how working in **partnership with the statutory sector** can bring about very significant and tangible results.

The **North Wales Labour Market Intermediary** is supported by a regional partnership comprised of Jobcentre Plus, Working Links, Welsh Development Agency (WDA), Careers Wales, ELWa, and the four local authorities in North West Wales: Conwy, Denbighshire, Gwynedd, and Ynys Mon. Over **3 years** the project will provide training, development and real work opportunities for over **900** of the most socially and economically disadvantaged individuals in North Wales, through the support of over **20 social enterprises**. WCVA welcomes recognition in the **new ESF Regulations** of the valid role of intermediate labour market measures and social enterprise in aiding labour market inclusion for disadvantaged groups. Wales has lengthy experience of dealing with the problems of economic inactivity and social exclusion, and **WCVA wishes to highlight and promote the important role played by voluntary and community groups in engaging with people who are on the periphery of society.**

The **Social Risk Fund** is a second example of partnership working with the statutory sector. An initiative supported by ESF, and match funded by the National Assembly, the scheme provides revenue funding for project activity of up to **£10,000** to small community groups. In 2001-2003 **£2.2m** was awarded to **259** groups, and the project continues to make an impact across the Objective One and Three areas in Wales. As the name suggests, there is an element of risk inherent to this project, but whilst the impact may be in some respects difficult to capture, the qualitative benefits and the meaning to local communities is immeasurable. **WCVA very much hopes that this type of initiative, which allows European funds to flow directly to the areas of greatest need, will receive the Commission's support in the future programmes.**

In addition to representing the interests of civil society during the current programme, WCVA has been fully engaged in Wales, London and Brussels with the post-2006 Structural Funds Reform.

The current Objective One Programme has provided a **sound framework for regional policy**, which has allowed the voluntary sector to deliver initiatives against strategic objectives. Moreover, **multi-annual funding** has provided much needed medium term support, to facilitate innovative projects that would otherwise simply not have taken place. WCVA welcomes the proposal by the Commission to ensure, post-2006, that the policies of Member States are closely in line with the **European Employment Strategy**, and that the ESF will also be linked to the delivery of social inclusion and education and training objectives. WCVA represents many voluntary and community organisations whose primary objectives are to promote social inclusion; the ESF will enable the sector to target resources to the areas of greatest need, and to gauge their contribution towards the 'bigger picture'. Whilst this more broad commitment by the Commission to coherence in EU policy is welcomed, WCVA is concerned about the lack of detail on how the **National Action Plans for Employment and Social Inclusion** and ESF will be integrated, and how the UK regions will be assured of their **equitable involvement** in this important process.

WCVA is fully supportive of the Commission's clear commitment to **good governance** and **partnership working**. However, whilst the importance of the increased participation of the social partners is recognised, I query the apparent reduced priority given to civil society in the new **Structural Fund regulations** in terms of the programming, implementation and monitoring of ESF support. WCVA would wish to see a **more clearly defined role for civil society in partnership arrangements** and a definition of minimum standards in terms of engagement. **WCVA proposes that the Commission should use the new Structural Fund regulations as a tool to enforce the principles of good governance and participatory democracy.** The active involvement of civil society and the social partners should be promoted in equal measure, to enable the sector to fully contribute to regional development.

I hope that my comments so far have conveyed to you the positive attitude of the Welsh voluntary sector towards Europe. The Structural Funds have brought a genuine importance to communities across Wales as to what being part of the European Union actually means. It means creating improved facilities and resources at **community centres**, e.g. **Bridge Mentoring Plus Project**; having better access to **community-based training and development**, e.g. **Mentro Lluest** in Aberystwyth; taking a first step back into employment with support and encouragement from local people; **celebrating local heritage and using it to engage with diverse communities**, for example the **Pillgwenlly Community Centre** in Newport, that **Santiago Loranca-Garcia** from the European Commission visited this morning. The list of impacts on individuals is endless, but the bigger picture is that people are now living in safer, more confident and vibrant communities.

The voluntary sector has the ability to reach parts of society that the statutory sector traditionally finds it difficult to engage with. The sector is independent, it is benevolent and philanthropic: economic and social needs are intertwined; you cannot invest in one and ignore the other. Sustainable development requires long-term investment and local ownership.

The voluntary sector has a crucial role to play in terms of supporting people who are socially excluded, for example through intermediate labour market initiatives, social enterprise, volunteering and community development activities. Voluntary sector and community groups get to the heart of tackling the issues of disadvantage, economic inactivity and peripherality that face Wales. The work of the sector is wholly relevant to people's lives, and I firmly believe that the *real* benefits of involvement with the European Union are demonstrated through *participation*.

The Structural Funds bridge the gap between Europe and the people. It is my opinion that involvement with Europe has in fact enhanced the systems of governance and partnership working in Wales, which promote engagement with a more broad and representative cross-section of society. This is a defining characteristic of the experience of Structural Funds in Wales, a successful advancement, which must not be lost in the new programmes.

## **2. Cllr Chris Holley, European Affairs Spokesperson, Welsh Local Government Association**

I would like to thank the First Minister and the European Commission Office in Wales for inviting me to speak here today as WLGA's newly appointed Spokesperson on European Affairs. Upon taking up the post, I was struck by the sheer volume of activity that has already taken place with regard to regional policy in the EU post 2006. I welcome today's forum as an open discussion between all stakeholders on the future shape of this policy.

But before I reflect on future scenarios I think it would be useful if I referred to some of the important developments in the current Structural Fund programmes from a local perspective. These programmes have been significant for a number of reasons:

Firstly, the funding made available has been substantial and has acted as the focal point for regeneration activities for local communities across large areas of Wales. The fact that this funding has been agreed for a seven year period has enabled local organisations to plan for the medium to long-term. This framework has also provided the incentive to ensure that various other funding streams are coordinated at the local level to ensure maximum impact.

Secondly, local partnerships have been developed in all local authority areas in Wales bringing together equal representation from the public, private and voluntary sectors. These partnerships have been key to the adoption of shared visions and strategies for allocating the funds at the local level.

Thirdly, the programmes have provided a real challenge to local administrations in terms of their ability and capacity to jointly develop and deliver projects that have a real impact on the quality of life in local communities.

I have seen for myself how these strands can come together at the local level to promote integrated economic development. In Swansea for example our Local Partnership is delivering 90 projects. These range from projects dealing with youth, transport, and SME development and have to date created over 5,000 jobs.

These are some of the issues that have prompted us as an Association to undertake some work on evaluating the contribution local government in particular, and local partnerships more generally, have made to current programmes. The WLGA has launched today its first publication on local government and structural funds 'Delivering for Local Communities across Wales' which brings together some of the flagship projects developed by local authorities from across Wales. It is hoped that further work will be undertaken between now and Christmas to look at current successes and problems with the aim of learning from experience to improve future development activity. I believe this to be crucial in any discussions regarding the future.

Let me now turn to the debate regarding the future of Cohesion Policy and briefly outline some of the work that the WLGA has been involved in over the last 18 months or so.

In April 2003, recognising the growing influence of European Affairs on the work of local government, the WLGA established its own dedicated presence in Brussels. It was created as Welsh local government wanted to be a key player in Europe, with its own independent voice, reflecting the true local democratic voice we have at home. The recent enlargement of the EU only meant that Brussels has become an even greater cross roads – a place of influence where Wales cannot miss out.

Our European team works closely with the Welsh Assembly Government Office and the Wales European Centre on a day to day basis within Wales House. The office covers a broad range of European issues affecting local government in Wales and the future of Cohesion Policy has been one of its main priorities.

We are aware that the British Government has a vision of a regional policy that is quite different from that of the European Commission. In many cases the UK is right to press for significant reform of regional policy. With regard to the budget the UK is required to seek the best deal for tax payers, but for us it is important that this is not solely focused on regional policy. None of us should forget that overall regional policy does not represent much more than 35% of the overall budget of the European Union.

In Westminster recently, the Join Objective 1 network met and agreed to work closely with a cross party group of MPs in discussions with Ministers in the months ahead. Representatives from Cornwall and the Isles of Scilly, West Wales and the Valleys, South Yorkshire and Merseyside have been joined more recently by the Highlands and Islands and Tees Valley and Durham to campaign for the so called "Statistical Effect". This UK Objective 1 lobbying group is meeting again this afternoon, briefing MP's on our current views on the future of European Cohesion Policy.

But it doesn't stop there.

The Welsh Local Government Association has been working on the future of European funding since early 2003. The Association responded to the UK Government's consultation "A Modern Regional Policy for the UK" in June last year and more recently to the European Commission's Third report on economic and social cohesion.

Welsh Local government has extensive experience in the management and delivery EU Structural Fund programmes in Wales and wish to see the role of local government, due to its local democratic accountability, continue in these programmes as both a decision maker and deliverer of the policy. In addition, the Association urges the European Commission in the context of the “Ongoing Systematic dialogue with national local government associations” to ensure that local government continues to play a pivotal role in European regional policy.

We have taken a proactive approach at a European level by getting to know other Objective 1 regions across Europe. We are learning from our counterparts in other parts of Europe, carrying out programmes that have already been tested by other local authorities and most of all building the “strategic alliances” that will form the bedrock of the EU compromise that may eventually emerge once the Council’s negotiations get underway.

In March this year, following one year of joint working with the other 17 ‘statistically effected’ European regions we signed the Oviedo Declaration in Asturias. The 18 European regions have achieved recognition for the ‘statistical effect’ in both the Cohesion Report and the subsequent Regulations that appeared before the summer.

During March, we also held a high level seminar in Brussels for our Leaders, Chief Executives and senior European Officers in order to inform and exchange views regarding the proposals for future programmes. This event also involved presentations from colleagues from the European Commission, Statistical Effect lobby and UKRep and was very well received by all participants.

Outside of the current Objective 1 programme in Wales, the Objective 2 programme has also played an important part in delivering economic and social development to our local communities. The Association supports the development of an equitable funding framework for regions, outside the Convergence strand, as recommended in the Third cohesion report, in order to assist these areas with their own specific urban and rural issues.

As a result we welcomed the proposal for a new two fold Objective for “Regional Competitiveness and Employment. However we believe that 18% of overall resources is the absolute minimum if this objective is to remain credible. If we look at communities in East Wales, for example, it is imperative that these communities continue to have further assistance to tackle social and economic deprivation.

We are aware that the future of the “Regional Competitiveness Objective”, the successor to Objective 2 remains in the budgetary balance. But that’s not all. Radical changes to agriculture and rural development funding, combined with proposals to reduce overall allowable state aids under the new Regional Aid Guidelines will have a combined implication for the local authorities on the ground.

However, Europe is not just about money. Europe is also about working together and having comparable systems into which exchanges, best practice and knowledge transfer can help us **all** improve. It is my belief that we are only just recognising the potential of European regions working together. In the new programming period the third objective, ‘the Co-operation strand’ will cover cross border activities, transitional working and networks. By implementing transnational dimensions into local authority

activity we can assist in improving our own service delivery and enhancing the business potential for the local community.

Since the draft regulations were published by the Commission in July, the WLGA European team have been working to keep local authorities involved in the debates as they emerge. The Committee of the Regions Open Days in two weeks time will be another excellent opportunity for Welsh Local Government to engage in this debate – and I am looking forward to participating in a number of the events.

In the next few months the discussions will begin on the actual way forward in earnest. This will inevitably be a compromise. It always has been.

In Conclusion:

Our experience has shown that European regional policy isn't 'transmitted' from above. It is truly local. It has been an empowering process allowing local authorities and communities to pursue economic development programmes in partnership.

The WLGA sees a need to promote better governance that defines a role for civil society and local government in Wales in the design, implementation and follow up on a future Cohesion policy. Local government itself has the democratic mandate to decide which policy mix, management and delivery structures are the most appropriate to serve the needs and aspirations of our local communities. I therefore look forward to working with the Welsh Assembly Government and other partners, at the earliest opportunity, to find a way forward that is in the best interest of the whole of Wales.

### **3. Intervention by Santiago Loranca-Garcia, Head of Unit, DG Employment and Social Affairs**

#### **Introduction**

I am delighted to be here today to join you in this discussion on the future of the Structural Funds. I would like to focus on the contribution of the European Social Fund and to highlight some of the key features of the Commission's proposals.

The ESF is, and will remain, the European Structural Fund which focuses on people – helping workers to increase their skills; helping people to access and sustain employment; tackling social exclusion and promoting equality.

ESF aims to strengthen economic and social cohesion by supporting Member States' policies aimed at achieving full employment, improving quality and productivity at work, promoting social inclusion and narrowing regional employment disparities. As such, it will continue to make an important contribution to the economic and social challenges facing Wales.



## **ESF in Wales 2000 -2006**

Although it is perfectly understandable that policy makers and advisers should shift their attention to the next round of Structural Fund programmes, you will forgive me if I begin by emphasising that it is essential that we maximise the benefits of the current programmes. Remember, we have over 2 years of implementation and 4 years of expenditure ahead of us under the existing programmes. We need to demonstrate that the ESF adds value to Wales's efforts to achieve its social and economic objectives.

The total investment of the European Social Fund (ESF) in Wales under the current programme round, including Objective 1, Objective 2 and EQUAL, is over £520 million (770 million Euros). When public and private funds are included, this amounts to over £1 billion (1.52 billion Euros) – a very significant investment in upgrading skills, helping people into work, promoting social inclusion and tackling gender imbalances. Indeed, the ESF accounts for a third of the total Structural Fund investment in Wales.

### **Slide 1: ESF in Wales 2000 – 2006**

Objective 1 - £420 million

Objective 3 - £93 million

Equal - £ 12.5 million

Total value of programmes – over £1 billion (includes national contribution)

Much as already been achieved:

### **Slide 2: ESF Main Achievements (2000 – 2003)**

900 projects helping over 147,000 people

11,000 into jobs

27,000 gaining qualifications

However, while congratulating the partnership in Wales on these achievements; we all recognise that more remains to be done. So my first message today is to keep up the momentum and to ensure that the full potential of the current programmes is realised and the ambitious targets we have agreed for Wales are achieved.

## **Employment Challenges facing Wales**

But of course we also need to prepare the ground for the future programming period. We have heard much today about the challenges facing Wales and we in the Commission appreciate that these challenges constitute an agenda which will extend well into the next Structural Fund period.

### **Slide 3: Wales: Key Employment Challenges**

- Increasing employment levels
- Tackling economic inactivity
- Making labour market performance more inclusive
- Improving the skills base
- Tackling gender inequalities

Wales has achieved much over recent years – employment has been rising steadily, unemployment is at historically low levels and the investment in education and skills is beginning to bear fruit. But many challenges remain. Employment levels remain significantly below the UK average (particularly in the Objective 1 region and amongst older workers). Inactivity levels remain high, particularly in the South Wales Valleys. Over one fifth of the working age population has no qualifications. There are particular problems with basic skills and there continues to be a shortage of workers with intermediate skill levels. Gender inequalities remain, both in terms of employment rates and pay.

These challenges must be seen in the context of the broader challenges facing the whole of the EU. Across the EU, employment growth has stagnated. Member States are facing major structural challenges arising from the increasing pace of economic and social restructuring, globalisation and technological innovation. We are also facing a radical demographic shift that is progressively altering the make up of European

society and the functioning of the EU economy. The size of the workforce is shrinking – between 2010 and 2030 the EU will lose an average of one million workers per year. This raises difficult questions about how the EU can remain competitive and achieve higher employment and economic growth in the future. We also face the challenges of enlargement, with a significant widening of socio-economic disparities.

## **The future of the ESF**

The European Social Fund can continue to make an important contribution to supporting policies which address these challenges. The proposals in the Third Cohesion Report and the draft Structural Fund regulations outline how ESF resources might be deployed in the next round.

### Slide 4 – **ESF in the new architecture**

- ESF will contribute to both the Convergence and Regional Competitiveness and Employment Priorities;
- Stronger links with EU policies (particularly the EES and the associated targets & recommendations, but also Social Inclusion; Education and Training & Equality);
- Mainstreaming of gender equality and innovative actions;
- New focus on transnational and inter-regional co-operation;
- Promotion of good governance and partnership.

The ESF will contribute to both the Convergence and the Regional Competitiveness and Employment Objectives and will contribute 50% of the European funding available for the latter.

The intention is to adopt a more strategic approach linked to the European and Social Inclusion strategies; to concentrate resources where they are needed most and where there is the potential to add the greatest value. This means there will be a stronger focus on the employment recommendations and targets in the future.

Action to promote gender equality will continue to be mainstreamed and there will be an increased emphasis on the mainstreaming of innovative actions. There will also be a new focus on transnational and inter-regional co-operation.

Finally, the promotion of good governance and partnership is underlined, including the involvement of NGOs and social partners. It is proposed

that there should be a ring-fencing of resources (2%) for social partner led activities under the Convergence Objective.

I would now like to turn to the scope for ESF assistance under the two main priorities.

Slide 6 – **ESF Priorities: Convergence and Regional Competitiveness**

- **Adaptability of workers and enterprises** (incl. LLL strategies & systems)
- **Enhancing access to employment** (incl. gender equality & integration of migrants)
- **Reinforcing social inclusion and combating discrimination** (incl. pathways to integration & awareness raising)
- **Mobilising for reforms in employment and inclusion** (incl. development partnerships and pacts)

This slide highlights the priorities which can be supported under both Convergence and Regional Competitiveness and Employment. There will be an emphasis on supporting demand led approaches to training in enterprises and the development of lifelong learning strategies and systems. The focus on preventative and active measures for unemployed or inactive people remains, with a particular focus on increasing the employment of women and the integration of migrants.

The focus on action to promote social inclusion for disadvantaged people remains, including people with disabilities, ethnic minorities and early school leavers, but there will be a stronger emphasis on combating discrimination and promoting diversity. Finally, the ESF will support the development of partnerships or "pacts" in the fields of employment and inclusion, involving relevant stakeholders at national, regional and local levels.

In addition to these activities, the ESF will also support the following priorities in Convergence regions.

Slide 7 – **ESF Priorities: Convergence**

- **Expanding and improving investment in human capital** (incl. reforms to E&T systems; increasing participation in LLL; HR linked to research and innovation)
- **Strengthening institutional capacity of public administrations and services** (incl. policy/programme design & development; capacity building)

This includes action to expand and improve investment in human capital, in particular by improving education and training systems, and action aimed at developing institutional capacity and the efficiency of public administrations at national, regional and local level.

## Key Messages

I would like to conclude by emphasising a number of key points:

### Slide 8 – Planning for the Future

- Links to EES and SI Strategies
- National Framework Document
- Partnership
- Innovation
- Transnational and inter-regional co-operation
- Final Evaluation 2005

Firstly it is important that Wales appreciates the significance of this refocusing. It is more than a cosmetic or presentational change. In future resources will be concentrated on actions which support the European Employment and Social Inclusion strategies and which address the associated recommendations and priorities. You will need to articulate your needs in this context, including benchmarking yourselves against the relevant indicators and targets.

Secondly, while it is for Member States to decide the territorial basis of implementation, the nature of the devolved arrangements in the UK will in all probability result in separate Welsh operational programmes. It is, however, proposed that there should be a single National Strategic Framework at Member State level. Clearly it is important that Wales is closely involved in the development of this framework and the reporting and review processes which flow from it.

Partnership will remain a key principle of cohesion policy and Wales has a very good track record in engaging the relevant stakeholders at national, regional and local levels in the development and

implementation of its regeneration programmes. The new ESF regulation emphasises the importance of developing "partnerships for reform" as a means of promoting employment and inclusion and you need to consider how these might be developed in the Welsh context. Local authorities and NGOs have a key role to play. The social partners must also be actively engaged and consideration needs to be given to how the ring-fenced resources under the Convergence priority might best be utilised.

The next generation of programmes will include a strong focus on innovation and a specific priority on trans-national and inter-regional co-operation. Wales needs to participate actively in the mutual learning agenda – sharing your successes and learning from the experience of others.

Finally, I would like to emphasise the importance of the final evaluation of the current programmes which is due at the end of 2005. We need to ensure we have a solid basis on which to plan for the future and learn the lessons from the current programme round.

## **Conclusion**

I would like to conclude by emphasising that, while the overall level of resources available to support the next generation of programmes may be somewhat less than under the current programmes, the ESF can continue to make an important contribution to regeneration and human resource policies here in Wales. I would also invite you to consider the Commission's proposals for the future of the ESF and to let us have your views. Thank you for your attention

**List of  
Delegates  
for Wales  
Forum on  
European  
Affairs,  
Wednesday  
15th  
September  
2004**

<b>First Name</b>	<b>Surname</b>	<b>Organisation</b>
Peter	Sain ley Berry	Europaworld
John	Churchill	Wales in Europe - Wales Council of European Movement
Nick	Bennet	Bute Communications
Steve	Lazell	South East Wales Economic Forum
John	Sheppard	South East Wales Economic Forum
Emyr	Roberts	Welsh European Funding Office, Welsh Assembly Government
Sheila	Drury	ELWa
John	Neve	Department of Trade and Industry
Hywel	Edwards	Welsh Development Agency Know How Wales Programme
Tom	Jones	Wales Council for Voluntary Action
Cllr Chris	Holley	Welsh Local Government Association
Santiago	Loranca-Garcia	European Commission

Janet	Royall	European Commission in Wales
Aled	Williams	European Commission in Wales
Sian	Stoodley	European Commission in Wales
Gareth	Williams	Economic Development and European Services
Robert	Saunders	Welsh Assembly Government
Gary	Davies	Welsh Assembly Government
Philip	Bird	Welsh Assembly Government
Margaret	Dineen	Welsh Assembly Government
Emma	Freese	Welsh Assembly Government
Jackie	Brown	Welsh Assembly Government
Glyn	Stapleton	Welsh Assembly Government
Vi	Turner	Welsh Assembly Government
Ann	Beynon	BT Wales
Catherine	Eva	British Council Wales
Lila	Haines	Plaid Cymru
Bethan	Griffiths	Welsh Language Board
Della	Pritchard	Welsh Development Agency North Division
Bryn	Richards	Welsh Development Agency North Division
Sue	Price	Welsh Assembly Government
Sharon	Linnard	Trade & Invest Wales, Welsh Assembly Government
Ian	Shuttleworth	Trade & Invest Wales, Welsh Assembly Government
Paul	O'Donovan	Welsh Development Agency
Tim	Beddoe	Wales Tourist Board
Julie	Williams	University of Wales, Swansea
Helen	Northmore-Thomas	Grayling Wales
Helga	Rother-Simmonds	Honorary Consul for Germany in Wales
Tegryn	Jones	Keep Wales Tidy
John	Osmond	Institute of Welsh Affairs
Cllr John	Davies	Pembrokeshire County Council (Leader)
Gwyn	Evans	Pembrokeshire County Council



Keith	Edwards	Chartered Institute of Housing Cymru
Simone	Lowthe-Thomas	Wales Biomass Centre
F M	Slater	University of Wales, Cardiff
Anthony	Cooper	National Assembly Labour Group Office
Reg	Kilpatrick	Welsh Assembly Government
Sian	Jones	Wales European Centre
Sarah	Dykes	University of Wales, Aberystwyth
John	Jones	Engineering Education Scheme Wales
Saleem	Kidwai	Ethnic Business Support Programme
Akmal	Hanuk	Waterwell International UK Ltd
Glenn	Vaughan	Wales European Centre
Stefan	Terlezki CBE	Ukraine
Jeremy	Wright	Powys County Council
Keith	Davies	Swansea Institute of Higher Education
Nick	Bodycombe	Cardiff University
Justyna	Mortka	Cardiff University
John	Valentine Williams	ACCAC
Cllr Bob	Bright	Newport City Council
Dr Karoly	Gruber	Hungarian Embassy
Richard	Newton	The Period Trust Cymru
Richard	Essex	RICS Wales
Christine	Cook	Welsh Assembly Government
Judith	Stone	Wales Council for Voluntary Action
Ali	Bond	Swansea Council for Voluntary Service
Georgina	Ashmore	Computers in the Community
Gerard	McHugh	Blaenau Gwent County Council
David	Ware	Blaenau Gwent County Council
Gill	Shuker	Merthyr Tydfil County Borough Council
Douglas	Reid	Merthyr Tydfil County Borough Council
Sarah	Madison	Merthyr Tydfil County Borough Council

Nigel	Graddon	Welsh Development Agency
Martin	Mansfield	Welsh Assembly Government
Derwena	Watkin	Coleg Llandrillo, Conwy
Brian	Meredith	Wales European Information Centre
Veronique	Lefebvre	Wales European Information Centre
Olwyn	Williams	Wales European Information Centre
Nigel	Keane	Wales Social Partners Unit
Mark	Judd	Wales Social Partners Unit
Andy	Churchill	Merseyside Network for Europe
Paul	Finch	Forestry Commission in Wales
HE Frantisek	Dihopolcekov	Ambassador of the Slovak Republic
Nigel	Payne	PAI Agents and Representatives Ltd
Mark	Haliwell	Bridgend County Borough Council
Simon	Jenkins	Swansea College
Chris	Bolt	Swansea College
Dylan	Hughes	Welsh Assembly Government
Annie	O'Reilly	Chwarae Teg
Anthea	Neagle	CSV
Tamara	Flanagan	CSV
Yvette	Vaughan Jones	Cardiff 2005
Bethan	Williams	National Assembly for Wales
Martyn	Evans	Countryside Council for Wales
Marcia	Morgan	Welsh European Funding Office, Welsh Assembly Government
Cath	Cleaton	Welsh European Funding Office, Welsh Assembly Government
Gwyn	Lewis	Welsh European Funding Office, Welsh Assembly Government
Cllr Gerald F	Meyler	Carmarthenshire County Council
Caroline	Turner	Welsh European Funding Office, Welsh Assembly

		Government
Victoria	Phillips	Caerphilly County Borough Council
Robert	Davies	Caerphilly County Borough Council
Justine	George	Finance Wales
Neil	Jones	Finance Wales
Richard	Summers	Finance Wales
Sarah	Patnett	Finance Wales
Helen	Conway	Cardiff Chamber of Commerce, Trade and Industry
Lisa	Murphy	Welsh Assembly Government
Lindsey	Clough	Welsh Assembly Government
Keith	Jones	Transport and General Worker's Union
Adrian	Beynon	Bridgend College
John	Lambert	Environment Agency Wales
Robert	Edwards	Community (formerly ISTC)
Michelle	Hunt	RSPB
Stefan	Polakovic	Embassy of the Slovak Republic
Simon	Pascoe	Welsh Local Government Association
Aled	Thomas	Welsh Local Government Association
Lowri	Gwilym	Welsh Local Government Association
Said	Dualeh	Wales Council for Voluntary Action
Amanda	Thomas	University of Wales, Newport
James	Tyson	Chapter Arts Centre
Simon	Harris	Wales Co-op Centre
Victoria	Winckler	The Bevan Foundation
Judy	Dennison	Powys County Council
Stephen	Thomas	Welsh Local Government Association
Dr Olga	Kelly	British Council Wales
Dr Gillian	Bristow	Cardiff University
Bon	Westcott	Job Centre Plus for Wales
Ross	Murray	Country Land and Business Association

Gabrielle	Suff	Wales Women's European Network
Naomi	Sinharay	Job Centre Plus for Wales/EURES
Glyn	Roberts	Farmer's Union of Wales
Peter	Mortimer	Rhondda Cynon Taff County Borough Council
Jose	Constantino	WalesTrade International
Ceri	Macleod	Cardiff County Council
Marcella	Maxwell	Cardiff County Council
David	Howells	ELWa South West Wales
Laura	Morgan	Grayling/Autism Cymru
John	Fry	North Wales Chamber of Commerce
Carol	Greenstock	The National Trust
Dr June	Milligan	Welsh Assembly Government
Marion	Davies	Welsh Assembly Government
Peter	Ferda	Honorary Consul for the Czech Republic
Martyn	Jeffries	University of Glamorgan
Cheryl	Shopland	European Commission in Wales
Christine	McGrath	European Commission in Wales
Melanie	Siggs	European Commission in Wales
George	Causley	Neath Port Talbot County Borough Council
Cllr David	Lewis	Neath Port Talbot County Borough Council
Cllr Bob	Wellington	Torfaen County Borough Council
Carrie	Brown	Chwarae Teg
Stephan	Hurford	Language Network Cymru
Paul	Dixon	Big Lottery Fund
C Derek	Barker	Conwy County Borough Council
Andrew	Heylin	Job Centre Plus
Andy	James	Barnardo's Cymru
Grant	Duncan	Welsh Assembly Government
Natalie	Grohmann	Welsh Assembly Government
Megan	Jones	Welsh Assembly Government

Peggy	Schmidt	Welsh Assembly Government
Alexander	Nix	Welsh Assembly Government
Lydia	Bateman	Welsh Assembly Government
Norma	Barry	Welsh Assembly Government
Dr Nick	Wilson	Honorary Consul for Denmark
Cathy	Presland	Welsh European Funding Office, Welsh Assembly Government
Jim	Crowe	SCOVO
Samantha	Huckle	ELWa
John	Owen	Newport Chamber of Commerce
Geoff	Harris	Newport Chamber of Commerce
Mike	Jones	Vale of Glamorgan Council
Neville	Davies	West Wales European Centre
Nigel	Adams	Wales Tourist Board
Prof Les	Hobson	University of Glamorgan
Robert	Williams	Trade and Invest Wales, Welsh Assembly Government
Tim	Evans	Trade and Invest Wales, Welsh Assembly Government
John	Fitzgerald	Welsh Assembly Government
Francis	Cairns	Welsh Assembly Government
Christopher	Williams	Morgan Cole Solicitors Cardiff
Sarah	Stone	Age Concern Cymru
Roger	Carter	Higher Education Funding Council for Wales
Jon	Tuson	University of Wales, Aberystwyth
Tomos	Livingstone	Press Association News
Phillip	Cooper	Venture Wales
Sheila	Potter	Conwy County Borough Council
Mike	Pollard	Welsh European Funding Office, Welsh Assembly Government
Lynda	Atwell	Welsh European Funding Office, Welsh Assembly Government

Mike	Shaw	Ceredigion County Council
Matt	Greenough	Labour European Office
Cecile	Chong	Labour European Office
Sioned	Phillips	Wales Office
Prof Ian	Roffe	University of Wales, Lampeter
Rob	Goff	GAVO (Caerphilly)
Jackie	Thomas	City and Council of Swansea
Paul	Rels	City and Council of Swansea
Gail	Giles	National Assembly for Wales
Mari	Stevens	The National Screen and Sound Archive of Wales
Geraldine	Reddington	Monmouthshire County Council
Huw	Griffiths	Anglesey County Council
Sarah	Armstrong	Newport European Partnership
Clare	Owen Evans	Newport City Council
Penny	Sullivan-Holbrook	Welsh European Funding Office, Welsh Assembly Government
Steve	Pope	Tomorrow's People
Nicky	Howells	Pembrokeshire College
Nerys	Evans	The Party of Wales
Helen	Bradley	The Party of Wales
Adrian	James	The Party of Wales
Rachael	Davies	RNID
Gareth	Evans	Denbighshire County Council
Nicky	Powell	ITV Wales
Phillip	Mellish	National Assembly for Wales
Peter	Slater	Peter Slater Consultancy
David	Williams	BBC Wales
Tyrone	O'Sullivan	Tower Colliery Ltd
Mervyn	Evans	SAVAGE
Eleanor	Marks	Welsh European Funding Office, Welsh Assembly

		Government
Nolan	Quigley	National Council for Voluntary Organisations
Jenny	Randerson AM	National Assembly for Wales
Anne	Hill	Wales Council for Voluntary Action
Eirian	Harrison	Wales Euro Info Centre
Ronald	Hall	European Commission
Natalie	Charlton	Wales Council for Voluntary Action
Stephen	Thomas	Welsh Centre for International Affairs
Dr Peter	Noyes	University of Wales, Newport
Ken	Hopkins	Wales Labour NEC
Dawn	Mould	Welsh European Funding Office, Welsh Assembly
		Government
Des	Clifford	Brussels Office, Welsh Assembly Government
Dr Rachel	Jones	Welsh Assembly Government
Dr Huw	Onllwyn Jones	Welsh Language Board
Harry	Holder	Federation of Small Businesses
Katherine	Himsworth	Welsh European Funding Office, Welsh Assembly
		Government
Vanessa	Baldry	ECTARC
Claire	Saralis	Cardiff Chamber of Commerce, Trade and Industry
T J R	Morgan	Brecon and Radnor Liberal Democrats
Sarah	Morton	Welsh Assembly Government
Amanda	Thomas	University of Wales, Newport