

# **EUROPEAN & EXTERNAL AFFAIRS COMMITTEE**

**EUR (2) 07-06 p1**

**Date: 27 September 2006**

**Venue: Committee Rooms 1 & 2, Senedd, Cardiff Bay**

**Title: Minister's Report**

## **Purpose**

1. To provide an update on a range of issues arising since the last meeting of the Committee.

## **Recommendation**

2. That members note the content of the report.

## **Background**

3. The Committee last met on 12 July 2006. This paper provides an update.

## **First Minister's International Activities**

### **7 September 2006 Visit of Chen Guangguo, Vice-Mayor of Chongqing Municipality, China**

Together with the Minister for Environment, Planning and Countryside, I met Chen Guangguo, Vice-Mayor of Chongqing Municipality during his visit to Wales. He specialises in agricultural and forestry matters together with organic farming, and meetings were arranged with a number of bodies and organisations engaged in these fields.

### **11 September 2006 Visit to the Northern Ireland Assembly, Belfast**

I visited the Northern Ireland Assembly on 11 September, and gave an address and answered questions on our experience of devolution in Wales.

### **13 September 2006 Meetings with Commissioners Hübner and Špidla**

I visited Brussels on 13 September where I met Commissioners Hübner (Regional Policy) and Špidla (Employment, Social Affairs and Equal Opportunities), to discuss the new round of convergence

funding for West Wales and the Valleys.

## **26 September 2006 "East Meets West – Opportunity for Trading with Hong Kong and China" Awareness Event , Cardiff**

I attended the "East Meets West – Opportunity for Trading with Hong Kong and China" Awareness Event, which was held in Cardiff on 26 September 2006.

## **Other Issues**

### **Mid-term Review of the European Commission Legislative and Work Programme 2006**

In October 2005, the Commission presented its Legislative and Work Programme for 2006. The programme sets out the priorities that will guide the Commission's efforts to turn the strategic objectives into reality in 2006. Concentrating as it does to close to a hundred priority activities, it is a reflection of the more integrated and coherent policy planning process of recent years.

The Committee discussed the programme at the meeting held on 18 January 2006.

On the 30 August, the Commission issued a mid-term review of the programme. This indicated that of the 96 measures in the programme, 37(39%), have been introduced. This is below the 84% expected, according to the initial forecasts for the work programme and is explained by an increasing number of deferrals to the last quarter of the year and 2007. It is accompanied by a call for relevant members of the Commission to ensure that all initiatives scheduled for adoption in 2006 are adopted in good time and emphasises that the importance of ensuring that principles of better lawmaking are scrupulously observed.

A copy of the review can be obtained @ [ec.europa.eu/atwork/programmes/index](http://ec.europa.eu/atwork/programmes/index)

### **Action Points Arising From Previous Meetings**

The Committee at its meeting held on 22 June 2006, requested that the possible provision of a European information service be investigated.

Following an exchange of correspondence, officials from the Assembly Government's EU Policy Secretariat met with Ian Thomson and Alec McSkimming of Cardiff University to discuss possible financial assistance to the University to support their bid to take over the running of the electronic information service from the current commercial publisher ProQuest. The publisher would like the University to take over the service as soon as possible and negotiations on the technical aspects are ongoing. Although there are no Assembly Government funds available in the short term, officials will continue to work closely with the University to identify possible funding in the future and also ensure compliance with state aid regulations.

At the Committee's meeting held on 22 June 2006, I agreed to seek information on state aids for the

poultry sector.

In April, the European Council adopted measures proposed by the Commission to allow financial support for the poultry market because of the effects of Avian Flu. The proposals specify the measures which can be 50 percent co-financed by the EU and focus on measures to temporarily reduce production. The remaining 50 percent has to be funded from National budgets.

The measures include:

- The destruction of hatching eggs
- Processing of hatching eggs
- The destruction of chicks (chicken, guinea fowl, duck, turkey and goose)
- The early slaughter of some of the breeding flock
- The extension of periods of temporary non-production beyond three weeks
- Voluntary reduction in output by reduced placing of chicks
- Early slaughter of ready to lay pullets.

The proposals also set a maximum level for compensation per unit destroyed; the maximum number of units per member state and the timeframe.

The expected cost to the EU budget is between €50 and €65 million. 14 member states have requested aid: Austria, Cyprus, Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Slovakia and Spain.

France announced €63million aid package in March to support the industry and compensate for a loss of production. No application has been made by the UK.

Meanwhile, the Commission announced in July that it is to investigate measures adopted by Italy which may be in breach of state aid guidelines.

At the Committee's meeting held on 22 June 2006, I agreed to provide further information on the recent referendum in Catalonia, on the new statute. This is attached at Annex A

At the Committee's meeting held on 12 July 2006, the Minister for Education, Lifelong Learning and Skills, agreed to provide a note on the modern foreign languages primary school initiative. This is attached at Annex B.

## **European News**

Latvia tightens citizenship laws – Latvia has introduced strict new laws on citizenship which require people to have a good knowledge of Latvian. Citizenship will be refused if the candidate fails a language test three times. Latvian was reinstated as the official language following independence from the Soviet Union in 1991. More than 20% of the population still speak Russian as their mother tongue and more than 400,000 people have not been granted citizenship. Whilst the vast majority of those who have not been granted citizenship, are ethnic Russians, all "non-citizens", are not entitled

to a EU passport or voting rights.

EU growth outstrips US and Japan – Europe’s economy is growing faster than the US or Japan, according to the latest figures for the second quarter of this year. Growth across the 25 members of the EU was 0.9% in the quarter, up from 0.8% in the first quarter and representing 2.8% over the year. Comparable figures for the US and Japan were 0.7% and 0.2%. However, Europe is lagging behind when it comes to creating new jobs. Unemployment across the EU remained unchanged at 8%, over the same period, whilst it was 4.8% in the US and 4.1% in Japan.

Polish shipyards – Poland is under increasing pressure to present credible business plans for the future of its Baltic shipyards, which have been outstanding since June 2005. The shipyards, including the former Lenin Shipyard in Gdansk (birthplace of the Solidarity movement), could be forced to hand back large amounts of state aid, which the European Commission says contravene EU rules. The shipyards could be ordered to begin paying back money they have received from the Polish government as early as November. The yards insist they do not have the resources. In terms of shipping tonnage bulk, Poland ranks fifth in the world after South Korea, Japan, China and Germany, but nevertheless, the shipyards are struggling to survive. While order books look healthy, many of the ships being built today, were contracted some years ago when world prices were low. To compound the shipyards difficulties, many skilled workers have left for higher wages in Western Europe.

**Rhodri Morgan AM**  
**First Minister**

**EEAC First Minister's Report**

Date	Assembly Minister/ Official/ Division	Event	Objectives	Outcomes
14 July 2006	Minister for Education and Lifelong Learning	EARLALL Board meeting, Brussels	The Minister attended this meeting in her capacity as Vice President of EARLALL. Membership of EARLALL provides a valuable opportunity for European regions to work together on strategies and programmes for lifelong learning. Wales contributed a paper, updating members on key EU policy developments aimed at influencing	The Minister’s attendance at these meetings and her Vice Presidency of EARLALL further cements relationships with other EARLALL Board members and provides an opportunity for raising the profile of Wales within Europe.  It was agreed that the

			future priorities and activity of the Association.	seminar, that Wales and Scotland are holding on credit frameworks on 19 October 2006, would be partly badged as an EARLALL event and would include material on EARLALL projects such as ESVAC and PREVALET. It was also agreed that key Commission officials would be invited to meet the Board to discuss a range of issues including Adult Education, prior to the next EARLALL GA on 20 October 2006. The Board met a key Finnish official to discuss how EARLALL could engage in the Finnish Presidency of the EU.
18 – 19 July 2006	Minister for Enterprise, Innovation and Networks	Cork Regatta	To identify the importance of marina development in promoting such tourism events.	Still evolving
31 August 2006	Minister for Health and Social Services/ Chris Riley (DHSS)	Meeting with George Smitherman, Minister of Health and Long Term Care, for Ontario	Mr Smitherman indicated a wish to understand the Welsh approach to: <ul style="list-style-type: none"> <li>·1 Waiting time strategies (non-emergency).</li> <li>·2 Waiting times in A and E.</li> <li>·3 Primary care reform and in particular chronic disease management in the primary care setting.</li> <li>·4 Innovative and creative human resource</li> </ul>	The Ontario Minister was very pleased with the discussion/ exchange of information, and was able to follow up other points with officials and a Welsh NHS Trust.

			deployment.	
7 September 2006	First Minister and Minister for Environment, Planning and Countryside	Visit by Mr Chen Guangguo, Vice-Mayor Chongqing Municipality, China	Meetings regarding agriculture/forestry and organic farming were arranged with: <ul style="list-style-type: none"> <li>- First Minister</li> <li>- Minister for Environment Planning and Countryside</li> <li>- Coleg Sir Gar</li> <li>- Food Centre Wales Llandysul</li> <li>- Govt Departments and sponsored bodies involved in Agriculture</li> <li>- Vice Chancellor of Aberystwyth University</li> <li>- National Park Forestry Division, Betwys Y Coed</li> </ul>	Helped to cement the growing relationship with Chongqing. Useful contacts were made in preparation for a Welsh trade and education mission to Chongqing in October, and there was agreement to share information in the fields of agriculture, forestry, agri-food and education.
11 September 2006	First Minister	Visit to the Northern Ireland Assembly, Belfast	To address the Northern Ireland Assembly on devolution in Wales.	
13 September 2006	First Minister	Meetings with Commissioners Hubner (Regional Policy) and Spidla (Employment, Social Affairs and Equal Opportunities), Brussels	To discuss convergence programme for West Wales and the Valleys.	Both Commissioners were content with progress to date.
20-23 September 2006	Minister for Enterprise, Innovation and Networks	Ryder Cup, Ireland	To have a Welsh presence at the event, bearing in mind that it will be taking place in Wales in 2010	

26 September 2006	First Minister	"East Meets West – Opportunity for Trading with Hong Kong and China" Awareness Event, Cardiff	Develop further links with Hong Kong
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## European and External Affairs Committee : Thursday 22 June 2006

### Minutes EUR (2) 05-06

#### Item 7: First Minister's Report

#### Paper EUR(2) 05-06 (p.1)

Action Point: The First Minister agreed to provide further information on the recent Catalan referendum in due course.

### Catalonia

On 18 June 73.9% of Catalans voted "yes" and 20.8% "no" in a low 49.5% turnout in the referendum for a new Statute to regulate the regions relationship with the Spanish state. The most substantial changes from the 1979 Statute are about money (Catalonia will retain a greater percentage of revenue from some taxes) and symbolism (recognition of "nation" status within Spain). It also devolves more power, as many shared competencies become exclusive to the regional government. The new financial model gives Catalonia more financial powers, the retention of 50% of income tax and VAT (instead of 33% and 35% respectively) and 58% of tax on alcohol, tobacco and petrol (instead of 40%).

The referendum was the final step in a process that began in September 2005, when Catalonia's parliament approved a new version of the Statute – the document that sets out the relationship and division of political powers between Spain and Catalonia.

The "yes" campaigners were pleased with the result. Prime Minister Zapatero welcomed the approval of a broad majority. The "no" campaign have made unfavourable comparisons to the 1979 referendum, which had a turnout ten points higher. The Popular Party (PP) noted that 2 out of every 3 citizens in Catalonia did not support the revised Statute. Others have pointed out that the turnout was higher than the 40.6% who voted in the referendum for the European Constitutional Treaty. Opinion polls had predicted a comfortable "yes" vote and the real test was seen as the turnout.

The impact on politics in Catalonia and indeed the rest of Spain is likely to unfold quickly. The

coalition government in Catalonia collapsed when the left wing nationalist Esquerra Republicana (ERC) called for its supporters to reject the Statute in the referendum against their coalition partners' wishes. Catalan President, Pasqual Maragall, has already signalled that he will call elections in the autumn. A post election alliance with the centre right Catalan nationalists, Convergencia I Unio (CiU) is one possible outcome.

The new Statute guarantees the regional government participation in European issues that could affect its competences or interests, and gives them more influence in forming Spanish positions. It also extends the right to promote Catalonia overseas, as well as the right to Foreign Ministry help for international co-operation on areas of the regional government's competence. The implication for EU policy formation is unclear, in theory the regions should now exert greater influence but Catalans (and representatives from other regions) have been attending EU Councils for the past 2 years.

The practical implications will continue to unfold. The approval of the Statute is seen as an endorsement of Zapatero's policy of modernising the relationship of the autonomous regions with the rest of Spain, a cornerstone of his domestic agenda and attention is now likely to move to the Basque region.

The Ministry of Economy is working out the impact of the reduction in central government income from Catalonia and possible implications for fiscal discipline, especially as other autonomous regions are likely to demand similar treatment. This deal is likely to benefit all the richer regions of Spain and the Government will have to find some way to make up the shortfall to poorer regions. Many of the concessions contained in the Statute are will also be extended to the rest of Spain but the timeframe is unclear.

## **Conclusion**

Catalonia accounts for one –fifth of Spain's economy even though it is home to less than one-sixth of the population. One of the main drivers behind the revised Statute was to ensure a degree of economic self determination for the region. The Generalitat (Catalonia's regional government) will now have not only enhanced powers in taxation, more control over airports, ports and immigration and judicial matters but also "nation" status. The wider impact on the other autonomous regions will become clearer in the coming months.

## **European and External Affairs Committee : Wednesday 12 July 2006.**

### **Minutes EUR (2) 06-06**

#### **Item 6: Jane Davidson AM, Minister for Education, Lifelong Learning and Skills**

#### **Paper: EUR(2) 06-06 (p.4)**

Action point: The Minister agreed to provide a note on current work to promote Modern Foreign Languages in primary schools.



## Modern Foreign Languages in Key Stage 2.

"Languages Count", the Assembly Government's national foreign languages strategy, was developed to address concerns surrounding the numbers of our young people opting to take up modern foreign languages in secondary schools. In broad terms the strategy aims to:

- improve the take up and standard of foreign language learning particularly beyond the age of 14 and 16;
- increase recognition by schools, pupils and parents of the importance of language learning;
- increase recognition by employers of the importance of language skills;
- ensure that foreign language learning builds on the learning of English and Welsh and brings learners to value diversity through better understanding of other cultures.

To address this agenda the Assembly Government supported the establishment on CILT Cymru (Centre for Information on Language Teaching) to provide support for language learners and teachers throughout Wales, including provision of materials, training, development work and conferences. In 2006-07 the Assembly has made £700k available to CILT Cymru.

Languages are a mandatory part of the schools curriculum for all pupils in the first three years of secondary education but it is recognised that there is some way to go in ensuring that all young people are alive to the benefits to be derived from the study of Modern Foreign Languages. That is why in concert with CILT we launched the Key Stage 2 (8-11 year olds) pilots. The work in this area is groundbreaking and central to the overall strategy with a view to leveraging up take up of modern foreign languages at 14-19.

Since September 2003, 2,500 pupils have been involved in a three year pilot project involving 105 primary schools in clusters based on 21 secondary schools. The languages being taught within the pilot schools are French, German, Spanish and Italian. With Assembly support every primary school has been provided with funding and support and guidance from CILT Cymru. A DVD produced by CILT Cymru, Step by Step sets out the range of innovative used by primary and secondary schools to improve opportunities for MFL in the primary sector including delivery in partnership with a local secondary schools, use of peripatetic teachers and developing the skills of staff in the primary sector to deliver MFL. It also confirms the very positive impact on standards at Key Stage 3 and illustrates how the work has broken down barriers to language learning and in particular by engaging boys.

Initial feedback on Phase 1 has been very encouraging with teachers, pupils and parents responding well to the new experience. Pupils have described their first exposure to language learning as fun and enjoyable and teachers have been surprised by their pupils' speed of linguistic progression. A full independent evaluation report is due to be submitted in October 2006

Funding has been confirmed for the second phase of the project which will extend the work until July 2008 with a further 18 schools joining the pilot. Phase two will focus on how MFL can support ongoing work to improve transition from primary to secondary school. It was particularly encouraging to see ACCAC's view that already "many of the secondary schools involved in the Key Stage 2 pilot project have already made changes to their year 7 MFL provision in order to build on

the progress made in the primary school".

CILT Cymru has already put in place a raft of support to promote MFL in secondary schools and the pilot work in Key Stage 2 is central in informing how best to promote MFL at Key Stage 3 and encourage take-up of the opportunities presented by 14-19 Learning Pathways

Progress is kept under regular review and it is planned that the Languages Count strategy be refreshed by autumn 2007. We are four years on from the launch and there is need to take stock and consider how we can build on strengths and address areas for improvement. In addition, there have been significant changes in that time including the ongoing work on the new revised curriculum and further developments in the piloting of the Welsh Bac.

The refreshed strategy will ensure that we make best use of the opportunities presented in driving forward the objectives set out in Languages Count.