

European & External Affairs Committee

Date: 9 December 2004
Time: 9:00 to 12.15
Venue: Committee Rooms 3 and 4, National Assembly for Wales, 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. Members to note the content of the report.

Background

3. The Committee last met on 11 November. This paper provides an update.

First Minister's International Activities

17 November. Co Host the New Zealand All Blacks Reception. I sponsored this event which was hosted by the New Zealand High Commissioner. It was held in the Assembly Hall, Cardiff Bay.

18 November. Meeting with the High Commissioner of New Zealand. I had a private meeting with the New Zealand High Commissioner. The High Commissioner wished to discuss the possibility of appointing an Honorary Consul to Wales.

18 & 19 November. Attended the British Irish Council in Guernsey. On 18/19 November, together with Andrew Davies, I attended the Sixth Meeting of the British-Irish Council. I have circulated a Written Statement about the proceedings, together with the final Communique, to all AMs.

26 November. Meeting with the New Japanese Ambassador. A new Japanese Ambassador - Mr Yoshiji Nogami - has recently taken up post in London. He came to Cardiff at the invitation of the WRU to attend the Wales/Japan rugby international on Friday 26 November and the opening gala evening on

Sunday 28 November at the Wales Millennium Centre. He paid me short courtesy call when he arrived on Friday 26 November.

29 November. Attend the REGLEG Conference in Edinburgh. I attended the fifth Annual RegLeg Conference of Presidents in Edinburgh on 29 November. The Conference adopted a declaration welcoming the new Constitutional Treaty as well as steps on how legislative regions can be further involved in the European decision making process.

Whilst in Edinburgh, I also met with the Catalan Prime Minister, Sr Bargallo, to discuss greater Wales - Catalonia co-operation.

We also welcomed the Committee of the Regions UK delegation to Cardiff on 30 November.

8 December. Host a reception for the Honorary Consuls & Official Representatives in Wales. I hosted an event for the Welsh based diplomatic corps on Wednesday 8 December. The event provided an opportunity to engage with the Irish Consulate, the Satellite American Consulate and the Honorary Consuls through a Q& A session and general networking during the evening.

Other Issues

Joint Ministerial Committee (Europe) (JMC(E)) – 29 November.

I was not able to attend JMC(E) due to prior commitments on that day. An Official from European & External Affairs Division attended on my behalf. Discussions focused on the UK Presidency, European Parliament, Working Time Directive and Prospects for the December European Council.

Euro Preparations

Earlier this year at the meeting of Euro Ministers, all Government Departments and Devolved Administrations agreed to complete the ‘planning phase’ of preparations for the Euro. The completion of this phase involved the production of a single, living planning document, a Euro Changeover Plan, which would demonstrate that the Welsh Assembly Government could deliver a timely and cost effective changeover in the possible event of the introduction of the Euro.

The document has been produced after wide consultation internally and has been endorsed by all Heads of Group and the Permanent Secretary. The plan is a substantial document which is basically in two parts, the first is the overarching Euro Changeover Plan for the Assembly Government which includes cross-cutting issues such as finance and IT systems, procurement, training and communication. The second part contains a separate plan for each Group in the Assembly Government and is a free-standing changeover plan for each business area.

The planning undertaken indicates that there is sufficient time to complete conversion and testing of

Finance/IT systems within the timetable outlined by HM Treasury.

The plan itself has just undergone a Gateway Review, as per HM Treasury requirements. This was a short, focussed review of the project carried out by a team of independent, experienced practitioners. The recommendations of this review are currently being considered. The plan will also undergo 6 monthly updates to ensure that it is kept 'live'.

I understand that the Secretary of State for Wales has been invited to attend the Committee early in the New Year to talk about the Wales Euro Preparations Committee, which he chairs. This will be an opportunity for members to gain an insight into the work of the Committee whose remit is to oversee work on Euro preparations in Wales; raise awareness of preparations issues; ensure co-ordination and co-operation between key sectors; consult on the third outline National Changeover Plan; and, feedback to the Chancellor's Standing Committee on Euro Preparations.

Guide to the European Union

The Guide to the European Union was produced by the Foreign and Commonwealth Office and was recently launched by the Foreign Secretary. The document provides useful background material to the European Union. It also contains information on the new Constitution for the EU and specifically what it would and wouldn't do. The FCO will be sending copies for distribution to all AMs. Copies in Welsh will be available. If members wish to view the document in the meantime, it is available at the link below:

<http://www.fco.gov.uk/Files/kfile/EU%20Constitution%20Guide,0.pdf>

Report On Progress With Planning For The UK Presidency Of The Of The European Union

The United Kingdom will hold the Presidency of the Council of the European Union commencing on 1 July 2005.

As previously reported Wales will host a high-profile Youth Event in Cardiff City Hall over the period 25 -27 October 2005. This will give us the chance to learn from young people and policy makers from across the European Union, and to promote the excellent work happening here in Wales and elsewhere in the EU.

It has also been agreed with Department for Culture, Media and Sport (DCMS) and UKRep that an official from the Welsh Assembly Government will be chairing the EU Cultural Affairs Committee during the Presidency.

I am pleased to announce that since my last report it is proposed to hold the second annual conference of the European Cultural Tourism Network (ECTN) in Cardiff at the Wales Millennium Centre on the 6-8

July 2005. The first ECTN conference was held in Barcelona last August and was chaired by the Wales Tourist Board (WTB). ECTN brings together the tourism and cultural industry professionals working in different regions of Europe to exchange experience and information on best practice. DCMS have indicated that they would support any proposal for this event be 'badged' as a Presidency event.

I am still hopeful that at least one informal Council of Ministers can be located in Wales, and will report on this to the Committee when I am in a position to do so.

The Welsh Assembly Government is keen to contribute towards the achievement of the UK Government's objective of holding a successful Presidency. We have nominated an official to co-ordinate our involvement; and she and her team are working closely with Whitehall to maximise the potential benefits to Wales of the Presidency.

Meeting with the First Minister of Catalunya

I used the opportunity provided by my attendance at the Conference of European regions with legislative power (REGLEG) in Edinburgh on 29 November to meet with Senor Josep Bargalló, First Minister of Catalan to discuss areas of potential co-operation between Wales and Catalan.

It was a very productive meeting. There has been a protocol of co-operation between Wales and Catalunya since April 2001, though it had not proved to be as productive as had been hoped. Both Senor Bargalló and I confirmed our commitment to joint working between our administrations on appropriate policy areas of practical and substantive benefit to both sides. Our meeting identified several such areas, including culture, education, health and services for older people.

It is now for officials in the Welsh Assembly and in the Catalan administration to take forward the possibilities we have identified.

Rhodri Morgan AM
First Minister

EEAC First Minister's Report – ANNEX A

Date	Assembly Minister/ Official/ Division	Event	Objectives	Outcomes

11 - 12 November 2004	Jane Hutt AM / John Griffiths AM, Deputy Minister	World Health Organisation Ministerial Forum	To discuss Regional Health Policies, Plans and Evaluation Methods. Also discuss the future way forward for the Network	Not yet known
16 November 2004	Alun Pugh AM Minister for Culture, Welsh Language and Sport	Meeting with Lurisa Buranova, Dep Minister for Ethnic Policy, Udmurt Republic Russian Federation	Deputy Minister Lurisa Buranova is interested in developing her knowledge and understanding of programmes aimed at promoting relationships between ethnically diverse groups and developing minority language and culture in modern conditions.	Not yet known
17 November 2004	First Minister	Co Host the New Zealand All Blacks Reception	Sponsored this event which was hosted by the New Zealand High Commissioner. It was held in the Assembly Hall, Cardiff Bay.	Objectives achieved
18 November 2004	First Minister	Meeting with the High Commissioner of New Zealand	To discuss the possibility of appointing an honorary consul to Wales.	Objectives achieved
18/19 November 2004	First Minister	Attend the British Irish Council in Guernsey	Attended Sixth Meeting of the British-Irish Council.	Objectives achieved
25 November 2004	Sue Essex AM Minister for Finance, Local Government and Public Services	Voluntary Sector Meeting, Cardiff Bay	Statutory requirement under the Local Government Act for all Ministers to consult with the Voluntary Sector every 6 months to keep them informed and vice versa.	Objectives achieved

26 November 2004	First Minister	Meeting with the New Japanese Ambassador	Mr Yoshiji Nogami came to Cardiff at the invitation of the WRU to attend the Wales/Japan rugby international on Friday 26 November and the WMC to attend the opening gala evening on Sunday 28 November.	Objectives achieved
29 November 2004	First Minister	Attend the REGLEG Conference in Edinburgh	The Conference adopted a declaration welcoming the new Constitutional Treaty as well as steps on how legislative regions can be further involved in the European decision making process.	
29 November 2004	Sue Essex AM Minister for Finance, Local Government and Public Services	Possible visit to Rotterdam for Dutch Presidency Regional Policy 'Informal Council of EU'	On behalf of the First Minister - it is the Welsh Assembly Government's turn to take the second UK seat at the table. The event is mainly centred on spatial development.	Not yet known
8 December 2004	First Minister	Host a reception for the Honorary Consuls & Official Representatives in Wales	Provided an opportunity to engage with the Irish Consulate, the Satellite American Consulate and the Honorary Consuls through a Q& A session and general networking during the evening.	Objectives achieved

To: Members of European & External Affairs Committee
First Minister's Visit to Regione Emilia-Romagna in Italy, 24 – 26 October 2004

Background

I visited Emilia-Romagna at the invitation of my opposite number, the Minister-President of the regional government, Signor Vasco Errani, following a previous meeting with him in Brussels. The invitation follows a pattern of collaboration at official level over recent years during which Emilia-Romagna has emerged as a like-minded and dynamic partner.

Emilia-Romagna is in the heart of the zone of prosperity of northern Italy stretching from the Adriatic coast in the east, around the ancient Byzantine capital of Ravenna, westwards through Bologna, the largest city, and through Parma to Piacenza in the west. The region lies between Venice to the north and Tuscany to the south. Bologna, at just under 400,000 people, is not much larger than Cardiff.

It is one of Italy's legislative regions, or Regione, with machinery of government broadly similar to the Welsh Assembly. The Regione has equivalents to our National Assembly, Cabinet, First Minister and Presiding Officer, and its powers are roughly comparable. The region has less control over total spending on public services than we do in Wales, but has some interesting extra responsibilities, such as regional foreign aid projects.

Co-operation with Emilia-Romagna (E-R) has developed from the bottom-up, primarily through the WAG EU Office in Brussels. E-R is an active member of the Assembly-led Sustainable European Regions Network; the WAG was a member of an E-R network initiative on European Governance at a regional level; there has been further collaboration on "information society" and discussions are in hand about co-operation on youth policy initiatives. The region is also a REGLEG (Regions with Legislative Powers organisation) colleague.

Objectives

The strategic aim of my visit was to build on previous official level contacts and to explore with President Errani a basis for putting a bi-lateral Wales/ Emilia-Romagna relationship onto a sounder footing under-pinned by a political agreement.

The wider context to this approach is my ambition to have in place a network of bi-lateral European regional partnerships in each of the five major EU Member States. Agreements are already in place with Baden-Wurtemberg (Germany); Brittany (France); Catalonia (Spain); Sillesia (Poland). An agreement with Emilia-Romagna (Italy) would complete the set. Wales co-operates with a wide range of regional partners from across Europe, as well as individual Member States such as Latvia, and will continue to do so. But maintaining close inter-regional relationships is resource-intensive and I believe it is therefore sensible to select our key partners on a strategic basis.

Activity

In addition to my meeting with President Errani, I also met his Vice-President, Flavio Delbono (who, it transpires, was educated at Oxford University). I paid a courtesy call on the Presiding Officer, Antonio La Forgia. The regional government is composed of a multi-party coalition of the left and centre.

As a secondary objective, I explored economic development issues in the region through visits to businesses and a meeting with the powerful regional Chamber of Commerce. E-R has the highest GDP per capita of any Italian region and it ranks around 12th richest in European regional terms. Unemployment is low at between 3 and 4%. Given that in the immediate post-war period the region was a largely undeveloped, rural economy this represents a major achievement.

The region hosts an impressive specialist automotive sector including Ducati, Lamborghini, Bugatti, Maserati, Ferrari and De Tomaso. A feature of this sector is the extent to which it pursues the value-added niche markets rather than the mass market. I visited Ducati, for example, which produces tens of thousands of motorbikes a year compared to the millions produced annually by Yamaha or Honda. What has enabled the industry to withstand the global competitive pressures better than some other industrial sectors is a specialist local supply chain, aluminium engine castings being produced near Bologna for Ducati.

A similar theme emerged in the region's substantial agri-food sector. I visited a co-operative in the form of a production plant, warehouse shop and export centre. Subscribing farmers sell their grape products (in this particular case) to the co-op, which then converts it into high value-added, quality products – wine, olive oil etc. The co-op sells the product to exclusive markets, including a major export component. Through this route farm producers are able to see good returns, they are not captive to large monopolies and, crucially, both turnover and profit are kept within the region.

Next Steps

My discussions with President Errani were wide-ranging. We discussed areas for co-operation, some of which are already in hand. A particularly interesting idea was potential scope for joint working in EU applicant countries and elsewhere. As the EU gets bigger it becomes harder for even well resourced and active regions to cover the bases and make an impact. Through joint working it might be possible to share effort and therefore to multiply our effectiveness. No commitments have been entered into but a number of topics were identified for further consideration. I concluded by inviting President Errani to visit Wales. Italy has regional elections next spring so a visit is most likely in the second part of 2005. In the meantime, officials will continue to collaborate and to explore a draft Memorandum of Understanding for consideration. Given that co-operation is already practised I envisage a light-touch document that provides for broad political understanding rather than a heavily prescriptive programme.

Rhodri Morgan AM
First Minister
November 2004