

# EUROPEAN & EXTERNAL AFFAIRS COMMITTEE

**EUR(3)-02-08(p.1): 28 February 2008**

## **Minister's Report**

### **PURPOSE**

1. This report is provided in response to an invitation from the Committee Chair to present an update on a range of issues and specifically, at the Chair's request, information on the consultation on the EU budget; the consultation on the future of regional policy; the European Commission proposals on the CAP Health Check and an outline of the Assembly Government's key priorities in respect of the European Commission Legislative and Work Programme 2008.

### **RECOMMENDATION**

2. That members note the content of the report.

### **BACKGROUND**

3. I last addressed the Committee on 23 October 2007. This paper provides an update.

### **FIRST MINISTER'S INTERNATIONAL ACTIVITIES**

#### **22 - 25 October 2007 - Visit of Chen Yatang, Vice Chairman of the Standing Committee of Chongqing Peoples Congress**

I hosted a dinner for Chen Yatang, Vice Chairman of the Standing Committee of Chongqing Peoples Congress and an accompanying delegation. This was a good opportunity to strengthen Wales' relationship with Chongqing with a senior political figure from the Municipality. It was appropriate, given Chen Yatang's background as a medical doctor that he had an opportunity to meet Sir Martin Evans, who had recently been awarded the Nobel Prize for Medicine.

#### **24 October 2007 - Visit of His Excellency Mr Kitti Wasinondh, Ambassador to the Royal Thai Embassy, London**

I met His Excellency Mr Kitti Wasinondh, Ambassador to the Royal Thai Embassy, London when he was in Cardiff to meet Thai nationals living in Wales and to explore business and educational opportunities.

#### **25 October 2007 - Wales Forum on Europe event - 'How can Wales achieve sustainable, affordable energy in the 21<sup>st</sup> century?'**

The aim of this event was to enable our stakeholders to gain a greater understanding of the subject. In addition to myself and the Minister for Environment, Sustainability and Housing, there were speakers from the European Commission, the European Parliament, a major private sector operator, local government and Cardiff University. Over 80 people attended the event and post conference evaluation confirmed that it was a subject of great interest.

#### **26 October 2007 - Visit of His Excellency Mr Pieter Waldeck, Ambassador for the Kingdom of the Netherlands**

This was the first visit to Wales by His Excellency Mr Pieter Waldeck. We discussed the take-over of Corus by Tata Steel and issues around climate change and energy consumption.

#### **29 & 30 October 2007 - Visit by the European Commissioner for Employment, Social Affairs & Equal Opportunities, Vladimír Špidla**

Commissioner Špidla visited Wales in order to see the work being done here through the European Social Fund and to meet Ministers including myself and stakeholders. Commissioner Špidla visited a number of projects and attended a dinner hosted by the Minister for Children, Education & Lifelong Learning and Skills.

#### **30 October 2007 - Visit of His Excellency Mr George Iacovou, Greek Cypriot High Commissioner**

Visit by His Excellency Mr George Iacovou, Greek Cypriot High Commissioner to the UK. The High Commissioner and I discussed voter participation and the Turkish Cypriot situation.

#### **31 October 2007 - Visit of Brad Henry, Governor of the US State of Oklahoma**

The Minister for Finance & Public Service Delivery and I met Brad Henry, the Governor of the US State of Oklahoma. He was participating at an event organised by Swansea University's American Studies Department; one of the leading centres for American Studies in the UK. We discussed the potential for developing closer ties between Oklahoma and Wales.

#### **8 November 2007 - Visit by the European Commissioner for Science and Research, Janez Potočnik**

I met Commissioner Potočnik and hosted a lunch which was attended by various University Vice Chancellors, Professor Sir Martin Evans

and Professor Chris Pollock. During his time in Wales the Commissioner also visited the Manufacturing Engineering Centre at Cardiff University, Zarlink Semiconductor in Caldicot and Techniquet.

#### **13 & 14 November 2007 - Meeting with a group of London based Indian journalists working for Indian publications**

The Deputy First Minister and I met a group of London based journalists working for Indian publications. We used the opportunity to raise the profile of Wales generally and to announce the trade mission to India. As a result, 4 Indian publications carried articles about Wales.

#### **4 December 2007 - Reception for the Welsh Consular Corps**

I hosted a reception for the Welsh Consular Corps and was pleased to welcome new appointments for Mr Clive Williams, Honorary Consul for Romania and Sir Brooke Boothby, Honorary Consul for Malta. I was also pleased to launch a new DVD promoting Wales.

#### **12 December 2007 - Visit of His Excellency Dr Margus Laidre, Ambassador, Embassy of the Republic of Estonia**

I was pleased to meet His Excellency Dr Margus Laidre, Ambassador, Embassy of the Republic of Estonia to discuss areas of co-operation between Wales and Estonia, the possible visit of the Estonian President to Wales and a series of Estonian cultural events planned in Wales during 2008.

#### **7 January 2008 - Presentation to the Bangladeshi High Commissioner, His Excellency Mr Shafi U Ahmed**

I met His Excellency Mr Shafi U Ahmed and presented him with a cheque on behalf of the Bangladesh Association Cardiff to help victims of Cyclone Sidr.

#### **22 January 2008 - Visit of South African Parliamentarians**

A delegation of South African parliamentarians was visiting the UK at the invitation of the Commonwealth Parliamentary Association. They spent one day in Wales and I was invited to meet them. Our discussion revolved around issues such as links between South African provinces, the Johannesburg Earth Summit / NRG conference, accountability to the electorate, funding of provinces in South Africa and comparison of population profiles.

#### **31 January 2008 - Visit of Margot Wallström, Vice President of the European Commission responsible for Institutional Relations and Communication Strategy**

Commissioner Wallström and I both spoke at a Wales Forum on Europe to an audience of over 250 people and answered questions on a range of EU-related issues. During the rest of her visit the Commissioner re-launched the European Sources Online (ESO) database, visited a local high school and spoke and took questions at a special session of the National Assembly. To complete her visit I hosted a dinner in her honour in Cardiff Castle.

#### **7 February 2008 - Visit of His Excellency Mr Iztok Mirošič, Ambassador of the Republic of Slovenia**

His Excellency Mr Iztok Mirošič, Ambassador of the Republic of Slovenia was visiting Wales to brief myself and the European and External Affairs Committee on his country's priorities for their Presidency of the EU.

#### **14 February 2008 - British Irish Council (BIC) Summit**

I attended the BIC Summit in Dublin where discussions centred on the misuse of drugs; the strategic review of the British-Irish Council; the ongoing work of the British-Irish Council and the promotion of harmonious relationships. Under strand 10 of the BIC, a trilateral meeting of the First and Deputy First Ministers of Wales, Scotland and Northern Ireland was also held, the first meeting of its kind.

#### **21 February 2008 - Meeting with Chinese journalists**

I met a media group from Chongqing as part of their visit to the UK. We discussed Wales-China links and particularly the relationship between Wales and Chongqing, in advance of the Wales Week in Chongqing and my visit there in early March to sign a formal twinning agreement.

#### **25 February 2008 - Visit to Brussels for St David's Day**

I attended a press launch in Brussels - "Ryder Cup in Europe", on 25 February and hosted the annual St David's Day reception at the Bibliothèque Solvay where the Ryder Cup was again present.

### **OTHER ISSUES**

#### **EU BUDGET REVIEW CONSULTATION**

The European Commission's consultation on the EU Budget Review ends on the 15 April 2008. The Welsh Assembly Government has been formulating its position internally and will be considering the nature of its response in the spring. We have also been in discussion with the UK Government. I would encourage stakeholders to take part in this debate and consider sending their own response to the European Commission.

#### **FUTURE OF COHESION POLICY CONSULTATION**

The European Commission's consultation ended on the 31 January 2008. The Welsh Assembly Government has been actively involved in formulating the UK Government's response to this consultation and our key points have been included in this joint response. The response calls for reform to focus funding on poorer Member States, support for a strategic approach to Cohesion Policy linked to the Lisbon Strategy and for simplification of the financial management and audit systems. The UK Government's covering letter on the consultation to the European Commission identifies that the shape of transitional arrangements should form part of the future policy debate. Consultation responses can be found on the European Commission's website.

## **CAP HEALTH CHECK**

The European Commission released the CAP Health Check proposals on the 20<sup>th</sup> November 2007 with the aim of publishing legislative proposals by the 20<sup>th</sup> May; these will be debated at EU level with agreement reached by the end of 2008, during the French Presidency. The Assembly Government is currently consulting farming and broader countryside interests in Wales on the Health Check proposals, the consultation is due to close February 28 2008. The Health Check proposals cover:

### **Market measures**

Phase out of milk quotas by 2015, through a 2% per year increase (but with possible complementary action such as lessening the fine for overproduction or invention support).

Scaling back of cereal intervention to safety net only level.

A gradual consequential decline in export subsidies.

End of compulsory set-aside.

Some new risk management options through Pillar 2.

### **Direct Payments**

Fuller decoupling in Member States where coupled payments are both optional (cereals, livestock) and mandatory (energy crops, dried fodder, potato starch, durum wheat, protein crops, rice, flax and hemp).

The option for Member States to switch to area payments.

The option for Member States to increase minimum payment levels.

The possibility of introducing payment limits per claim.

Single Payment Scheme simplifications (eg for entitlements and eligibility).

Possibility of widening the scope of article 69 of Council Regulation 1782/2003 (to make specific payments in support of dairy farmers in "mountainous" regions).

### **New Challenges**

Increased modulation to address climate change, water, bio-energy, and bio-diversity.

Simplification and rationalisation of cross-compliance.

The direction of the Health Check proposals is welcome overall due to the introduction of further decoupling; in Wales we have already achieved a high level of decoupling and introduced the Single Payment Scheme.

The purpose of the Health Check is to adjust CAP which is in place until 2013, however, it cannot be seen in isolation from the planned European budget review which is due to conclude in 2009 as this will shape the future of CAP in 2014 and beyond. The Assembly Government will continue to be fully engaged in negotiations at UK and EU levels on the legislative proposals that are expected to emerge in May.

## **EUROPEAN COMMISSION AND LEGISLATIVE WORK PROGRAMME**

An outline of the Assembly Government's key priorities of the European Commission Legislative and Work Programme 2008 was requested by the Committee. A Cabinet Paper on this matter is currently with Members for their consideration and is soon to be published. Information on the Paper is at **Annex A**.

## **THE EU'S CLIMATE CHANGE AND RENEWABLE ENERGY PACKAGE**

On 23 January, the European Commission issued a package of measures aimed at contributing towards the EU's commitment to combating climate change and ensuring a secure, competitive and sustainable energy supply.

The package represents concrete action to take forward:

a 20% reduction in greenhouse gas (GHG) emissions, rising to 30% in the event of an acceptable international climate change agreement;

a 20% share of renewables in overall EU energy consumption by 2020;

a 10% biofuel component in vehicle fuel by 2020.

The new measures deal with:

Greenhouse gas emissions reductions: extended legislation on the sectors and gases governed by trading from 2013-2020 (under the Emissions Trading Scheme) and new legislation on effort-sharing to achieve reductions in the non-traded sectors for the same period.

A new framework to promote renewable energy, with mandatory individual national targets for 2020 and imposing a separate, uniform 10% biofuel target for transport. It also sets out measures to remove administrative obstacles to new renewables installations linked to e.g. grid access and permitting regimes and disputes.

New legislation to safely manage carbon capture and geological storage (CCS), and a communication on how new collaborative approaches could help develop CCS demonstration projects.

New guidelines for environmental state aid, among other things favouring certain types of clean energy project, such as CCS, and renewable energy projects that have extra environmental costs.

Headline issues relate to the proposed targets assigned to the UK. For emissions reduction in the non-traded sector (mostly transport, buildings, services, small industrial installations, agriculture and waste), a reduction of 16% by 2020 is proposed. For the renewables sector, the UK would be obliged to meet 15% of its energy consumption from renewables by the same date (note that the current share in the UK is less than 2%). Acceptable biofuels must meet sustainability criteria, including a minimum greenhouse gas saving of 35%. By March 2010, all countries must outline in National Action Plans how their target and interim milestones are to be achieved.

For the EU as a whole, increased greenhouse gas reduction efforts will be enforced across the revised Emissions Trading Scheme. With a new centralised cap for 2013-2020 (Phase III), industrial carbon allocations would go down progressively by 21% on 2005 levels and auctioning of allowances would increase. New sectors added to the scheme include aviation, petrochemicals, aluminium. Exclusions still include road transport, agriculture and forestry. CCS is included, meaning that carbon sequestered in Europe is considered non-emitted, obviating the need to obtain allowances.

The EU institutions will negotiate the package over the next 12 months.

## **THE TREATY OF LISBON**

The Treaty of Lisbon was signed at the European Council on 13 December 2008. The Treaty includes a new protocol on the principles of subsidiarity and proportionality. This protocol takes into account the regional dimension, where appropriate, in creating new EU legislation. An increased role for national parliaments in ensuring new legislation adheres with subsidiarity is also created, with the potential for regional parliaments to participate. This Treaty provides greater recognition for regions in the EU. The Lisbon Treaty is currently in the process of being ratified by EU Member States. In the UK, the Government is ratifying the Treaty through a Parliamentary Bill. The European Union (Amendment) Bill has secured its Second Reading in the House of Commons.

## **LISBON STRATEGY**

2008 is the start of a new three-year cycle for the Lisbon Strategy. The Lisbon Strategy will be the focus of the Spring European Council in March when new strategy guidelines are expected and a review on better regulation will be considered. My officials have been in contact with HM Treasury and will contribute to the UK's National Reform Programme report expected in autumn 2008.

## **JESSICA AND JEREMIE**

The Committee has received previous information on the European Commission's JESSICA and JEREMIE programmes. The latest developments on the Assembly Government's potential use of these programmes are detailed here.

## **JEREMIE**

JEREMIE is an initiative to create investment funds to finance SMEs via equity, loans and venture capital. The investment funds are jointly financed by ERDF, domestic and EIB resources. The JEREMIE framework allows the EIB loan to be taken by the organisation that is managing the fund (rather than the Assembly Government directly).

Finance Wales has submitted an application to WEFO under the JEREMIE initiative to establish an equity, loan and mezzanine investment fund and their application is under consideration. The EIB are also undertaking a series of checks and discussions are advanced with the Commission on State Aid notification.

A tender for the management of the Funds will be run once project approval has been granted, with the contract likely to be awarded in May. This will enable operations to commence soon thereafter.

## JESSICA

The aim of JESSICA is to finance sustainable investment that regenerates urban areas. It operates through investment funds which can be jointly financed by ERDF matched against private and public finance, including loan based finance and land holdings. The funds can be recycled over time to support further regeneration actions.

These funds will be based on the principle of public/private partnerships which are very similar to the existing Welsh Industrial Partnership and Dragon 24 LLP, though these new funds would be focussed on the implementation of an integrated urban redevelopment plan

We have agreed terms of reference for a scoping study for Wales to be commissioned by the EIB. The Assembly Government is also working with the WLGA on the potential development of JESSICA through a Stakeholder Steering Group.

## SLOVENIAN EU PRESIDENCY PRIORITIES

Slovenia took over the EU Presidency on 1 January. It will complete the 18 month work programme for the Trio Presidency, started by Germany and continued by Portugal. Slovenia's priorities will be implementing the Lisbon Treaty, launching the new Lisbon Strategy cycle, taking forward the energy and climate change package and strengthen the European perspective of the Western Balkans. In addition the Presidency will promote Intercultural Dialogue through 2008's European Year of Intercultural Dialogue.

## ST DAVID'S DAY 1<sup>ST</sup> MARCH

Celebrations have been arranged throughout Wales and the world for St. David's Day 2008. European and External Affairs Division is running events on behalf of the Assembly Government in Chongqing, New York and Brussels throughout Wales week, raising the profile of Wales internationally. I will attend a press launch in Brussels - "Ryder Cup in Europe", on 25 February and host the annual St David's Day reception at the Bibliothèque Solvay where the Ryder Cup will again be present. I will visit Chongqing on 6 - 9 March to sign a formal twinning agreement between Wales and Chongqing. This agreement cements the remarkable progress made in the relationship with Chongqing since the Memorandum of Understanding was signed in March 2006. My visit will coincide with a Wales Week "Discover Wales" exhibition in Chongqing, featuring culture, business, tourism and education. A schedule of the some of the other events in Wales and the world that the Assembly Government is involved in is at **Annex B**.

# Rhodri Morgan AM

## First Minister

### EEAC FIRST MINISTER'S REPORT

Date	Assembly Minister/Official/ Division	Event	Objectives	Outcomes
22 - 25 October 2007	First Minister	Visit of Chen Yatang, Chongqing, China	An opportunity to strengthen Wales' relationship with Chongqing with a senior political figure from the Municipality of Chongqing with whom we have a Memorandum of Understanding	Strengthened the relationship with Chongqing.

<p><b>22 October 2007</b></p>	<p>Deputy First Minister &amp;  Minister for Children, Education, Lifelong Learning &amp; Skills</p>	<p>Visit of Dr Abdul Latif Bin Awang  State Minister for Education, Higher Learning, Science &amp; Technology  Malaysia</p>	<p>Dr Latif was In Wales to sign an agreement between the Malaysian Government and International Technical Diving Agency, New Tredegar.  To meet the Minister for Children, Education, Lifelong Learning &amp; Skills</p>	<p>The possibility of teaching staff exchanges are being investigated.</p>
<p><b>24 October 2007</b></p>	<p>First Minister</p>	<p>Visit of His Excellency Mr Kittti Wasinondh  Ambassador to the Royal Thai Embassy, London</p>	<p>To meet Thai nationals living in Wales and to explore business and educational opportunities</p>	<p>Ambassador met :</p> <ul style="list-style-type: none"> <li>• Thai students and members of the Thai community studying/living in Wales</li> <li>• Representatives of Cardiff &amp; Newport Universities</li> <li>• Director, Wales International Consortium</li> <li>• Directors of Graig Shipping</li> <li>• Director, Tourism, Welsh Assembly Government</li> <li>• Officials from International Business Wales &amp; Creative Industries</li> <li>• Lord Mayor of Cardiff</li> <li>• Cardiff Chamber of Commerce</li> <li>• Celtic Manor Resort</li> <li>• Vale of Glamorgan resort</li> </ul>
<p><b>24 October 2007</b></p>	<p>First Minister, the Minister for Environment, Sustainability &amp; Housing &amp; The Minister for Heritage</p>	<p>Visit by a delegation from Timbuktu</p>	<p>The First Minister met a local government delegation from Timbuktu visiting Wales and their link community of Hay-on-Wye. The Wales for Africa programme has provided funding to the Hay2Timbuktu link, under the Gold Star Communities project. The Hay2Timbuktu link is one of the five main community links to receive support from the Gold Star Communities Project.  The Hay2Timbuktu delegation also met the Minister for Environment, Sustainability and Housing, and the Minister for Heritage at 12:30 on the same day.</p>	<p>Strengthening the Hay2Timbuktu link between Timbuktu and Wales.</p>

<b>25 October 2007</b>	First Minister & Minister for Environment, Sustainability	Wales Forum on Europe event - 'How can Wales achieve sustainable, affordable energy in the 21st century?'	The aim of the event was to enable our stakeholders to gain a greater understanding of the subject. In addition to the First Minister and the Minister for Environment, Sustainability and Housing, we had speakers from the European Commission, the European Parliament, a major private sector operator, local government and Cardiff University.	Over 80 people attended the event and the post conference evaluation confirmed that the subject was of great interest and the conference provided an ideal vehicle for discussion.
<b>26 October 2007</b>	First Minister and Counsel General & Leader of the House	Visit of His Excellency Pieter Waldeck Ambassador for the Kingdom of the Netherlands	Introductory visit and opportunity to meet key personnel in Wales	Meetings held with: <ul style="list-style-type: none"> <li>• First Minister</li> <li>• Counsel General</li> <li>• European Office in Wales</li> <li>• Lord Mayor of Cardiff</li> </ul>
<b>29 &amp; 30 October 2007</b>	First Minister & Minister for Children, Education and Lifelong Learning and Skills	Visit by the European Commissioner for Employment, Social Affairs & Equal Opportunities - Vladimír Špidla	The visit had been arranged to see, at first hand, the work being done in Wales through the European Social Fund, and to meet respective Ministers and key stakeholders.	Commissioner Špidla undertook visits to a number of projects and had a tour of the Senedd before attending a dinner hosted by Jane Hutt AM.
<b>30 October 2007</b>	First Minister	Visit by His Excellency Mr George Iacovou, Greek Cypriot High Commissioner, To the UK	Opportunity to meet First Minister and members of the Greek Cypriot community in Cardiff. Programme arranged by Cllr Michael Michael, Cardiff County Council.	A wide-ranging discussion was held with the First Minister parts of which were shown on Greek Cypriot TV.
<b>31 October 2007</b>	First Minister & Minister for Finance and Public Service Delivery	Visit by Brad Henry, the Governor of the US state of Oklahoma	Event organised by Swansea University's American Studies Department; one of the leading centres for American Studies in the UK.	An opportunity to discuss the development of closer ties between Oklahoma and Wales, such as in the areas of early year's education, higher education and strategic planning.
<b>7 November 2007</b>	Deputy First Minister	Reception hosted by the Romanian Embassy, held in National Museum, Cardiff	To announce the appointment of Mr Clive Williams (Crownford Ltd) as the Romanian Honorary Consul for Trade in Wales.	Deputy First minister was able to welcome the appointment of an Honorary Consul for Trade in Wales. A welcome addition to the Consular Corps.

<b>8 November 2007</b>	First Minister	Visit by the European Commissioner for Science & Research - Janez Potočnik	Commissioner Potočnik visited Wales at the invitation of Eluned Morgan MEP and the First Minister. The visit had been arranged with a view to demonstrating how Welsh Higher Education Institutions and companies use FP6 (the main EU research funding instrument) and how they intend to utilise the new FP7 programme.	Commissioner Potočnik met with the First Minister and attended a lunch with various University Vice Chancellors, Professor Sir Martin Evans and Professor Chris Pollock, Science Adviser to the First Minister. He also visited the Manufacturing Engineering Centre at Cardiff University, Zarlink Semiconductor in Caldicot and Techniquet.
<b>28 November 2007</b>	Minister for Heritage	Meeting to discuss the Welsh Language Teaching Project in Patagonia	The purpose of the meeting with representatives of the Project Committee was to discuss the Welsh Language teaching project in Patagonia funded by the Welsh Assembly Government. There was also a discussion on how the project should develop in the future.	Welsh language teaching project being developed.
<b>13 &amp; 14 November 2007</b>	First Minister & Deputy First Minister	Visit by a group of London based journalists working for Indian publications	Opportunity to raise the profile of Wales in India prior to the trade mission	Articles appeared in the Indian press as follows: Times of India The Hindu The Hindustan Times Asian Age
<b>21 November 2007</b>	First Minister	European Economic & Social Committee Awareness session: Mr Tom Jones OBE	We hosted an awareness session for Assembly Government staff on the work of the European Economic and Social Committee (EESC).	Tom Jones OBE, Member of the European Economic and Social Committee gave a presentation on the work of the Committee and this was followed by a presentation by Phil Fiander, Head of European Policy, Wales Council for Voluntary Action. This was followed by a Q & A session. Tom and Phil then met with the First Minister.  30+ people attended the event and it raised awareness of the work of the committee how staff could benefit.
<b>30 November 2007</b>	First Minister	Meeting with Vladimir Skornyakov, President of KUMZ Co., Russia in FM's office	To discuss potential purchase by KUMZ Co of Dolgarrog Aluminium Ltd. which entered into administration in August 2007. Other representatives of KUMZ were also present including their legal representative plus interpreter.	Positive meeting. Discussions and follow-up actions centred around the potential acquisition including environmental matters, an existing tripartite agreement, energy, workforce/Union matters, grant aid, site permits/authorisations and Visa applications. As at 8.2.08 these matters were still on-going.
<b>4 December 2007</b>	First Minister	Reception for Honorary Consuls in Wales	Opportunity for First Minister to encourage Honorary Consuls to work with the Assembly Government and to welcome newly appointed consuls. This was also an opportunity to launch the new Wales DVD.	17 of the 28 Honorary Consuls in Wales attended this event plus 32 other guests.



<b>8 December 2007</b>	Minster for Heritage	Dinner Australian Paralympic committee	To meet with 'Team Wales' in identifying Training Camp locations in Wales in the build up to 2012.	Australian Paralympics committee have shown an interest in coming to Wales as a result of their visit.
<b>12 December 2007</b>	First Minister	Visit of His Excellency Dr Margus Laidre, Ambassador, Embassy of the Republic of Estonia	<p>Opportunity to discuss:</p> <ul style="list-style-type: none"> <li>• areas of co-operation between Wales and Estonia</li> <li>• the possible visit of the Estonian President to Wales</li> <li>• the series of Estonian cultural events planned in Wales during 2008.</li> </ul>	<p>Agreement to consider</p> <ul style="list-style-type: none"> <li>• closer links in relation to youth policy</li> </ul> <p>to develop links with under and postgraduate students from Swansea University.</p>
<b>12 December 2007</b>	First Minister	Andy Klom Christmas Reception (Caspian Point, European Commission Office, Cardiff Bay)	A routine annual event hosted by Andy Klom with a guest list including Ministers, officials and other contacts that the European Commission has had dealings with in the last twelve months.	No formal outcomes, only the continuation of the relationship between the Assembly Government and the European Commission.
<b>13 December 2007</b>	Minister for Finance and Public Service Delivery	Visit by Jorrit de Jong who is a Fellow at the Ash Institute for Democratic Governance and Innovation at Harvard University's Kennedy School of Government.	To discuss Kafka's practical, direct and replicable problem solving model to determine if the methodology can be used in the development of LSBs in Wales.	Officials were asked to investigate a 2 pilot programme using the Kafka methodology.
<b>7 January 2008</b>	First Minister	Present the Bangladesh High Commissioner a Cheque re. Cyclone Sidr (Senedd)	The main objective of the event was to present the Bangladeshi High Commissioner, HE Mr Shafi U Ahmed with a cheque to help victims in Bangladesh of Cyclone Sidr.	First Minister met the High Commissioner and presented a cheque. Mr Ali Ahmed, Treasurer of the Bangladesh Association Cardiff attended.

<p><b>8 January 2008</b></p> <p>The full event took place from 6-9<sup>th</sup> January 2008. However the Minister attended on the 8<sup>th</sup> only.</p>	<p>Minister for Children, Education, Lifelong Learning and Skills</p>	<p>Moving Young Minds - The World Seminar for Education Ministers.</p>	<p>Attendees: International education/ICT Ministers, advisors and officials. Key Speakers were:</p> <ul style="list-style-type: none"> <li>• Ms Amelie von Zweigbergk, State Secretary, Ministry of Education and Research, Sweden</li> <li>• Hon Chris Carter, Minister of Education, New Zealand</li> <li>• Dr. Hanif Al Qassimi, Minister of Education, United Arab Emirates</li> <li>• Mrs Daggubati Purandeswari, Minister of State for Higher Education, India</li> <li>• Dr Abdul Waheed Khan, Assistant Director-General for Communication and Information of the United Nations Educational, Scientific and Cultural Organization (UNESCO)</li> </ul> <p>Background: Moving Young Minds is an annual event which has been held since 2004. It provides an opportunity for Government Ministers from around the world, and their advisors, to meet and share experiences in the field of ICT (Information and Communications Technology) for education. The purpose of the event is to have a full and frank exchange of views and the outcomes of discussions are not generally publicised. The three day event includes a series of presentations, 'Ministerial Exchange' workshops and panel sessions as well as formal receptions.</p>	<p>On 8<sup>th</sup> January the Minister attended and participated in two Ministerial exchanges of the following titles:</p> <ul style="list-style-type: none"> <li>• How we can develop a 21 century school system? Led by Prof Stephen Heppell with Key contributions by the Honourable Alden McLaughlin, Minister for Education, Training, Employment, Youth, Sports &amp; Culture, Cayman Islands.</li> <li>• What are the compelling arguments for investment for investment in technology? Led by Tony Richardson, Executive Director &amp; Dr Vanessa Pittard, Director , Becta.</li> </ul>
<p><b>8 January 2008</b></p>	<p>Minister for Children, Education, Lifelong Learning and Skills</p>	<p>Meeting with New Zealand Education Minister, Hon Chris Carter MP</p>	<p>Meeting to discuss opportunities for co-language education.</p>	<p>As explained in objectives.</p>
<p><b>11 January 2008</b></p>	<p>Minister for Finance and Public Service Delivery</p>	<p>Political Studies Association Conference in Edinburgh</p>	<p>To deliver a paper to the Political Studies Association Conference on intergovernmental relations in the context of devolution.</p>	<p>Paper delivered.</p>
<p><b>16 January 2008</b></p>	<p>Minister for Children, Education, Lifelong Learning and Skills</p>	<p>Maltese High Commission Reception</p>	<p>Dr Refalo has recently appointed Sir Brooke Boothby to act as Honorary Consul to Malta in Wales. It is understood that Sir Brooke has no specific connections to Malta but was been selected due to his business acumen and contacts. This reception was to announce Sir Brooke's appointment. The reception has been arranged and funded by the Maltese High Commission in London.</p>	<p>A welcome addition to the Corps.</p>

<b>16 January 2008</b>	Minister for Heritage	Lunch - Maltese High Commissioner	Improving cultural links between Malta and Wales.	Strengthened links with Malta.
<b>19 January 2008</b>	Minister for Heritage	Edinburgh conference	To discuss the role of cultural and linguistic policy in nation building.	Good networking opportunity with Basque, Catalan Ministers.
<b>21 - 23 January 2008</b>	Deputy Minister for Regeneration	Visit by Scott Roberts, Deputy Secretary, Pennsylvania Department of Environmental Protection, Office of Mineral Resources.	<ul style="list-style-type: none"> <li>• To highlight the positive environmental and economic work being done in Wales</li> <li>• To exchange information on best practice</li> <li>• To develop a positive dialogue between Wales and the government in Pennsylvania.</li> </ul>	<p>A successful programme was delivered including visits to / meetings with:</p> <ul style="list-style-type: none"> <li>• Cambrian Colliery, Clydach Vale</li> <li>• Ffos-y-fran, Land Reclamation Scheme</li> <li>• Tower Colliery</li> <li>• Park Taff Bargoed</li> <li>• Cardiff University School of Engineering</li> </ul> <p>Introductions were made to 6 Welsh companies operating in this sector.</p> <p>An article appeared in the local press.</p>
<b>22 January 2008</b>	First Minister	Visit of a delegation from the South African Parliament's National Council of Provinces	<p>To brief South African parliamentarians on parliamentary oversight in the UK, on current climate change issues / legislation and to enable delegates to engage on parliamentary issues of mutual interest.</p> <p>Delegation brought to the UK by the Commonwealth Parliamentary Association.</p>	<p>Discussions on:</p> <ul style="list-style-type: none"> <li>• Links between South African provinces</li> <li>• Johannesburg Earth Summit / NRG conference</li> <li>• Accountability to the electorate</li> <li>• Funding of provinces in South Africa</li> <li>• Comparison of population profiles.</li> </ul>
<b>31 January 2008</b>	First Minister	Visit by Margot Wallström, Vice President of the European Commission responsible for Institutional Relations and Communication Strategy	Margot Wallström, Vice President of the European Commission responsible for Institutional Relations and Communication Strategy visited Wales at the invitation of the First Minister, as part of our strategy for engaging with the EU and for raising awareness of the EU within Wales.	<p>The Commissioner met with the First Minister, and then they both spoke at our Wales Forum on Europe to an audience of over 250 people and answered questions on a range of EU-related issues. Mrs Wallström also re-launched the European Sources Online (ESO) database at Cardiff University and visited Cardiff High School for a discussion with 50 pupils. She then spoke at a special session of the National Assembly and took questions before attending a dinner hosted by the First Minister in her honour.</p> <p>The visit helped to raise awareness among a wide audience of EU issues.</p>

<b>4 February 2008</b>	Counsel General, Leader of the House and Minister for Assembly Business and Communications	Visit of Mr Reinhard Wiemer Political Counsellor Embassy of the Federal Republic of Germany	Mr Wiemer has recently been appointed and is doing a tour of the devolved administrations to introduce himself and to make contacts.	In addition to the Minister, Mr Wiemer met: <ul style="list-style-type: none"> <li>• Director European and External Affairs Division, WAG</li> <li>• Head of Constitutional Affairs and Legislation Management, WAG</li> <li>• Deputy Presiding Officer or Chair of the European and External Affairs Committee</li> <li>• Welsh Language Board.</li> </ul>
<b>4 February 2008</b>	Minister for Children, Education, Lifelong Learning & Skills	Delegation from Brazil being brought to Wales by the British Council	This delegation is on a raising human rights awareness project led by the British Council.	The delegation met the Minister to learn from Wales's initiative and experiences in setting standards for safeguarding the interests of children and ensuring their views are represented in policy -making decisions.
<b>5 February 2008</b>	Minister for Heritage	Meeting with Sean Williams - lecturer in Poland	The meeting was to discuss better representation of the Welsh Language at the Paris Language Fair Expolangues. Ministerial presence at this event was also discussed.	The Minister for Heritage suggested that this was more relevant for the Minister for Children, Education, Lifelong Learning and Skills. We have therefore asked officials in the Education department whether or not the Minister would be interested in attending the 2009 fair.
<b>7 February 2008</b>	First Minister	Visit of His Excellency Mr Iztok Mirošič, Ambassador of the Republic of Slovenia	The Ambassador of Slovenia HE Mr Iztok Mirošič visited Wales to speak to the EEAC and the First Minister on Slovenia's EU Presidency priorities.	The Ambassador and the First Minister discussed the Slovenian EU Presidency and other areas of mutual interest such as convergence funding and language rights.
<b>7 February 2008</b>	Minister for Heritage	Visit of His Excellency Mr Juraj Zervan, Ambassador at the Embassy of the Slovak Republic	To discuss with the Minister mutually beneficial cultural co-operation.	Strengthened relationship with Slovakia.
<b>8 February 2008</b>	Minister for Heritage	Concert in honour of Slovakian Ambassador Cardiff	Improving cultural links between Slovakia and Wales.	Strengthened relationship with Slovakia.

<b>11 February 2008</b>	Minister for Heritage	Meeting to discuss the Mimosa project	The Mimosa will be a national centre dedicated to exhibit, research and promote knowledge and interest in matters related to migration. There was a discussion on the background to the project and how it could be funded.	Representatives of the project will now contact various organisations in relation to obtaining funding including officials in Visit Wales.
<b>14 February 2008</b>	First Minister	BIC Summit (Dublin)	<p>To discuss:</p> <ul style="list-style-type: none"> <li>• The Misuse of Drugs</li> <li>• The Strategic Review of the British-Irish Council</li> <li>• The ongoing work of the British-Irish Council</li> <li>• To promote harmonious relationships.</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion on misuse of drugs</li> <li>• Discussion on Strategic Review of BIC.</li> </ul>
<b>21 February 2008</b>	First Minister	Meeting with Chinese Journalists (FM's Office)	To meet media group from Chongqing as part of their visit to UK (to examine sustainable development/green building matters), to discuss Wales-China links and particularly the relationship between Wales and Chongqing, in advance of the Wales Week in Chongqing and First Minister's visit there in early March to sign a formal twinning agreement.	Not yet known.
<b>23 &amp; 24 February 2008</b>	Minister for Rural Affairs	Gulfood Exhibition in Dubai	To help support the development of sales of Welsh Food and Drink products, including Welsh Lamb, to United Arab Emirates (UAE) and other nearby markets in the Gulf States region.	Not yet known.
<b>25 February 2008</b>	First Minister	Visit to Brussels ~ St. David's Day	A press launch in Brussels - "Ryder Cup in Europe", on 25 February and to host the annual St David's Day reception at the Bibliothèque Solvay where the Ryder Cup was present.	Not yet known.

## EC Work Programme: implications for Welsh Assembly Government

### The Issues

### The Commission's Legislative and Work Programme 2008

The purpose of this report is to indicate likely priority areas for the Welsh Assembly Government arising from the Commission's Legislative and Work Programme.

### Background

Each year the Commission publishes a list of its priorities and activities for the coming year. This paper examines the Work Programme in respect of the Government's agenda and suggests elements that are most likely to be of interest to you and your departments. It is by no means an exhaustive or definitive list; the Assembly's EU Office in Brussels will provide detailed analyses for your respective departments as required. You should also note that the priorities may change according to external events or the priorities of incoming Presidencies of the Council of Ministers.

2008 will mark a change of priority for the Union. The debate on the substance of the Reform Treaty (also known as the Lisbon Treaty) is now closed and the EU has the opportunity to move on from institutional introspection to focus on delivering for citizens.

Climate change dominates the agenda, in line with the European Council's commitment from March 2007. The Commission now

proposes a series of practical follow-up initiatives. In December 2007, the successor to the Kyoto Protocol on reducing emissions is being discussed at the UN Conference in Bali and the outcome of this conference and subsequent meetings will set the context for confirming the EU's own targets in the field of climate change.

For 2008, the Commission has identified five main priorities for action in its Work Programme;

Growth and jobs

Sustainable Europe

An integrated approach to migration

Putting the citizens first; and

Europe as a world partner.

As in recent previous years, there has been a noticeable reduction in the number of legislative proposals that will be brought forward during 2008. But the Work Programme still runs to 60 pages, the bulk of which are the details of the non-legislative proposals. The Commission's initiatives are grouped into two areas; strategic initiatives and priority initiatives.

### **Strategic Initiatives**

The Commission will publish a **Climate Change White Paper** covering measures to ensure adaptation to climate change in a broad range of EU policy areas such as industry, agriculture, energy, fisheries, tourism and social policy.

Related to climate change is a series of initiatives in the field of energy and transport. There are plans for a comprehensive **Energy Package** to include a review of strategic objectives and actions to increase the share of renewables in the energy mix, trends in emissions, and energy technology developments. There will also be a review of some energy directives looking at, among other things, the energy performance of buildings and energy taxation. A further legislative proposal to expect is the **Renewable Energy Framework Directive** which will set out the pathway to achieving the so-called "20/20" target (ie 20% share of energy consumption from renewable sources by 2020) through burden sharing and a potential system of energy trading permits.

The Commission will produce a **Green Transport Package** which will include a communication on greening the transport sector and a model to assess the external (environmental) costs of transport together with an assessment of the policy tools that can be used to address them.

Following the 2007 Communication on the **Health Check in the Common Agricultural Policy**, the Commission will bring forward legislative proposals modifying the current CAP regime. According to the Commission, the Health Check is not a fundamental reform; it aims to ensure that the CAP functions in a simplified and more effective way. Key proposals we can expect under this initiative include changes to a single payment scheme; the abolition of the milk quota system; and a reduction in the intervention and market support mechanisms.

As in previous years, the **Annual Progress Report on the Lisbon Strategy** is identified as a strategic priority. The report, the main document for discussion at the Spring European Council, will this year highlight the importance of **education and training**. This is good news for us as it's one of the principal instruments through which WAG can contribute to the Lisbon agenda.

### **Priority Initiatives**

#### **Environment and Energy**

Environmental and energy proposals also figure prominently in the list of priority initiatives. The Commission will be revising legislation on the **domestic appliance energy consumption labelling scheme**, enlarging its scope beyond domestic appliances. It will also review the **WEEE (Waste Electric and Electronic Equipments) Directive** to see how efficiency can be improved and unnecessary costs to businesses, consumers and public authorities (predominantly local authorities) can be eliminated. There will also be a Communication and Action Plan on **Sustainable Industrial Policy** and a **Sustainable Production and Consumption Action Plan**. Work will also begin on a mid-term report on the implementation of the **Biodiversity Action Plan**.

#### **Budget Review**

While not designated a strategic initiative, the **Budget Review** will be of undoubted importance to Wales. The exercise, which will be informed by ongoing work on the CAP Health Check and Cohesion Policy, will shape the future direction of the Union. It's important to stress that this is not a detailed budgetary exercise; the Commission is seeking views on the principles and priority areas that will underpin the next financial perspectives (2014).

#### **Agriculture**

In Agriculture, the Commission intends to undertake a review of the **Less Favoured Areas Schemes** ("LFAs"). The review follows an unsuccessful attempt by the Commission to alter LFA designations which was firmly rejected by the Agriculture Council. With 80% of Wales designated LFA, this will be followed closely.

## Economy and Transport

The Commission continues its quest to consolidate and stimulate the growth of **SMEs** in Europe. It proposes a **Small Business Act for Europe**; a mix of general principles, legal tools and other measures designed to support SMEs. It will also include measures to improve SME access to EU programmes and public procurement. Given our low rates of SME start up and high rates of failure within the first two years, these proposals should be of particular interest to the Government.

Consolidation in the field of **state aid** is ongoing with the work of grouping all existing Block Exemptions into a single Regulation continuing during 2008.

In the field of employment, a directive on the **conditions of entry and residence of seasonal workers** will emerge during 2008 and there'll be a recommendation on **inclusion in the labour market** (likely to be opposed by the UK Government). There'll also be a Communication on **anticipating and managing change in the labour market**. This will be of interest to WAG as it should provide a useful resource in terms of highlighting good practice in the field of re-training.

The Commission also intends to expand on the concept of **territorial cohesion** (included in the Reform Treaty). A Green Paper on the subject will try to provide a common definition of the concept and examine ways it could be integrated into the Structural Funds and other EU policies. It's likely to be the start of a long debate between the Commission and Member States on what territorial cohesion actually means and how it can be used (this may have significance in the context of the future budget discussion).

We can also expect two further transport packages; one on **maritime transport**, which will include measures to establish an effective market for short-sea shipping, and one on **aviation**.

## Research and Innovation

The EU's Seventh Research Framework Programme ("FP7") is already underway and Wales is beginning to reap the benefits. (Cardiff University alone has submitted upwards of 150 proposals and has already received a number of project approvals. Under FP6, Welsh science and businesses were engaged in upwards of 150 projects).

The priorities in 2008 concern deepening research co-operation in Europe with a focus on mobility of researchers, new infrastructures and joint European national programming of research.

## Social Policy

**Equal treatment outside employment** is an area where we can expect legislation from the Commission. While this is a non-transferred area, the Commission proposal will cover access to services delivered by the Government and our partners in Wales such as transport, housing etc and could, in time, impact on their delivery should EU standards be set at a higher level than current UK legislation.

The Commission will also aim to strengthen the co-operation between Member States on **social protection and social inclusion**. A strengthened process at EU level will affect the involvement and input of the Government into UK reporting processes.

## Health

In this area, we can expect two recommendations dealing with **patient safety** and **healthcare associated infections**. These will be of particular interest to us given recent press headlines. During 2008, the Commission will launch a reflection process on the **mobility of health workers** and bring forward a **Communication on telemedicine and innovative technologies for chronic disease management**.

## Culture

2009 will be the **European Year of Creativity and Innovation**. This designation resonates with the debates in Wales about the cultural sector's contribution to the knowledge economy and the use the sector can make of EU funding programmes.

## Languages

Next year, the Commission will finalise a **Communication on Multilingualism**. The strategy will set out a framework to enable Member States and other actors to share experience and best practice in promoting multilingualism across a range of sectors. From a Government perspective, we will need to ensure that this proposal encompasses all languages, including regional and minority languages.

## Finance Requirements and Governance Implications

The Cabinet paper carries no direct financial implications for the Assembly Government or other bodies; the Commission's Work Programme is a list of aims and intentions and, as such, imposes no new immediate burdens. In the longer term, new European legislation may have cost implications for the Assembly Government and other Welsh bodies and this is why - through this "early warning" - it is recommended that Ministers and policy divisions scrutinise their work areas in greater detail. Should any additional financial burdens arise then it should not be assumed that there will be additional funding available to meet them. Departments should seek to accommodate any financial pressures from within their allocated budgets (FP2365).

## **St David's Day Activities**

### **25-27 February - Wales in Brussels**

St David's Day is now a popular fixture in the Brussels calendar. This year I will be in Brussels on 25 February for a press launch - "Ryder Cup in Europe" along with the President of the Committee of the Regions and the Leader of Newport Council. In the evening I will host the annual St David's Day reception at the Bibliothèque Solvay where the Ryder Cup will again be present and we will showcase the best food and drink from Wales to this influential European audience.

Events on 26 February include a policy seminar on sport in response to the European Commission White Paper on Sport, published in July 2007, this event is organised by Welsh Higher Education Brussels in association with the Welsh Assembly Government. A Student Photography Exhibition will showcase work of past and present photography students from the Swansea Metropolitan University, University of Wales, Newport and University of Wales Institute Cardiff.

### **25 February - 1 March - Wales Week in New York**

Since 2003, our New York office has led a Wales Week programme in New York designed to showcase Welsh visual art, theatre, music, food and drink. It is becoming a recognised feature in the New York cultural calendar and highlights for 2008 include:

Wales on Wall Street - An event to target a specific profile of young, highly-paid workers on Wall Street with business, tourism and food and drink products from Wales.

Literary program: six events with some of Wales's foremost writers and poets including Jan Morris, Owen Sheers, Richard Gwyn, Nikita Lalwani and Lloyd Robson

Lecture from Dr Andrew Green, National Library of Wales

Music from Trinity Chamber Choir, Caryl Parry Jones and the Super Furry Animals

A theatre production of New Worlds by Ian Rowlands and performances from Daniel Evans in Sunday in the Park with George on Broadway.

The Deputy First Minister will represent the Government in New York. In addition to attending these events he will be undertaking a separate business programme in New York and Boston including hosting a lunch for Food & Drink media and company visits.

### **27 February - Reception for International Post-Grad Students in Cardiff**

I will be hosting a reception in the Senedd building for post graduate international students studying in Wales. The reception is for approximately 200 people with students coming from Higher Education Institutions across Wales. The positive impression Students gain from their time in Wales has long-standing benefits.

### **27 February - 1 March - Wales in Latvia**

A business reception and dinner is being held in the Maritime Museum in Riga Old Town, to mark St David's Day. It is being organised on behalf of the Assembly Government by the British Chamber of Commerce in Latvia. The guest list includes representatives of the Latvian Government, Latvian media, selected Latvian companies and the UK Ambassador to Latvia. IBW are using their Trade Mission Programme to support Welsh businesses to attend.

### **5-9 March - Wales Week in Chongqing**

I will be visiting Chongqing on 6 - 9 March to sign a formal twinning agreement between Wales and Chongqing. This agreement cements the remarkable progress made in the relationship with Chongqing since the Memorandum was signed in March 2006. The relationship and activities extend to all key sectors: education (schools and further/higher sectors), economic development (trade and investment), tourism, environment, agriculture/forestry, planning, health, youth work and governance.

My visit will coincide with a Wales Week "Discover Wales" exhibition in Chongqing, featuring culture, business, tourism and education. A trade mission will also be visiting Chongqing at the same time, as will a delegation of representatives from schools in Wales being partnered with schools in Chongqing.

### **Working with FCO Posts overseas**

Over 65 FCO Posts overseas have requested promotional material offered to support their promotion of Wales around St David's Day. These will be used in a range of activities including exhibitions and displays; activities with local schools and receptions. Posts will again be encouraged to fly the Welsh Flag on St David's Day and I have issued my annual message.

In response to requests for ideas and help from people thinking of arranging St David's Day Activities, we have produced a downloadable resource pack available on the [walesworldnation.com](http://walesworldnation.com) website.