

EUROPEAN AND EXTERNAL AFFAIRS COMMITTEE EUR-05-02(min)

MINUTES

Date: 10 July 2002
Time: 9.30am
Venue: Committee room 1, National Assembly Building

Attendance:

Members

Rhodri Morgan (Chair)	Cardiff West
Mick Bates	Montgomeryshire
Nicholas Bourne	Mid and West Wales
Rosemary Butler	Newport West
John Griffiths	Newport East
Ieuan Wyn Jones	Ynys Mon
Tom Middlehurst	Alyn and Deeside
Rhodri Glyn Thomas	Carmarthen East and Dinefwr
Phil Williams	South Wales East

Standing Invitees

Janet Davies	Committee of the Regions
Rose D'Sa	Economic and Social Committee
Catherine Eva	Head of the European Commission Representation in Wales
Jos Gallacher	Managing Director, Wales European Centre

Guests

Erik Vilstrup Lorenzen	Economic Counsellor, Danish Embassy
Sir John Gray	Author of 'A Review of the Wales European Centre'
Sir Brian Smith	Chair of the Wales European Centre
Gwenda Thomas	Chair, Local Government and Housing Committee

Officials

Gary Davies	Head, European and External Affairs Division
Des Clifford	Head of the Assembly Office in Brussels
Howell Rees	Committee Clerk
James Owen	Deputy Committee Clerk

Item 1: Chair's Report

Papers: EUR-05-02(p1) and EUR-05-02(p5)

1. The Chair welcomed everyone to the meeting. Apologies were received from Mike German, Christine Chapman, Jonathan Morgan, Glenys Kinnock, Eluned Morgan, Jill Evans, Eurig Wyn, Jonathan Evans, Jon Huish and George Wright.
2. The Chair highlighted some issues outside of his written report:
 - o Allied Steel and Wire, which employed 950 staff in Cardiff and 300 in Sheerness, had gone into receivership that morning.
 - o The temporary 'eurozone' operating at the International Eisteddfod in Llangollen had assisted greatly in publicising the Eisteddfod and the euro issue.
 - o The reform of the Common Agricultural Policy would be discussed at the Agricultural Council meeting on 15 July. The Deputy First Minister would attend the meeting.
 - o Gisela Stuart MP and Peter Hain MP would be invited to attend a committee meeting in the autumn term for discussion on how the committee could influence the Convention on the Future of Europe. David Heathcoat-Amory and Lord Robert McLennan could also be invited to a future meeting.

1. The following points were made in discussion on the Chair's oral and written reports:
 - The European and External Affairs Division worked with the Foreign and Commonwealth Office to develop a programme of visits to Wales.
 - The visit by Sheikh Juma of Dubai provided an opportunity to develop a trading relationship that would be beneficial to Wales.
 - It was agreed that for future meetings, the Chair's written report would highlight the outcomes of visits and events which Ministers, Assembly Members and officials attended (**action point**).
 - The Chair clarified his position regarding the change in ministerial responsibilities. The First Minister had a legitimate interest in any matter relating to Wales and would continue to be involved in European and International issues. The Deputy First Minister would be able to dedicate more time specifically to raising the profile of Wales abroad. Members requested a report on the co-ordinating role of the Deputy First Minister in this regard for the next meeting. The Chair agreed to discuss this issue with the Deputy First Minister (**action point**).
1. The committee considered the paper EUR 05-02(p5), a contribution to the Future of Europe Convention produced by the steering group of the Co-ordination Committee of the Regions with Legislative Power. Des Clifford, a member of the steering group, said that the Committee was a self-generated organisation of like-minded regions in Europe that met annually at First Minister level. The paper was an early contribution to the Future of Europe debate, designed to highlight the importance of regional tier governments and assemblies to good governance in the Future of Europe.
2. The committee accepted the broad principles of the paper and agreed to submit it to the Convention on the Future of Europe on the understanding that the paper would be given further consideration at the next committee meeting (**action point**).

Item 2: Seville Council

Paper: EUR 05-02(p2)

1. Des Clifford introduced the paper and summarised the salient points of the Seville Council:
 - There was an acceptance at the Council that immigration and asylum issues needed to be tackled on an EU-wide basis, particularly with enlargement imminent. An EU-wide customs force would not be created, although the Commission would conduct a feasibility study on creating an integrated EU system. The Council agreed that immigration had to be managed better as it was beneficial to the EU.
 - The Council was pleased at the rate of progress on enlargement under the Spanish Presidency. Negotiations for 10 accession states to join in 2004 were on track, with Romania and Bulgaria aiming to join by 2007. Turkey was a separate case and no date had been agreed as yet. The key decision on extending direct agricultural aid for accession states would be considered at the next summit. The second Irish referendum on the Nice Treaty would take place in October and the question of whether enlargement could go ahead without Irish support could then be addressed if necessary.
 - The machinery of the Council of Ministers had been reconfigured and there would now be 9

Council sectors as opposed to 16 previously. This meant that Assembly Ministers would be entitled to attend fewer Council meetings although, because of the reconfiguration of subject areas, in some cases two ministers could attend the same Council meeting. These changes would be integrated into the existing timetable of meetings.

- The Council concluded that the downturn in economy had ended and that the EU was set to reap the benefits of an upturn. The euro was strengthening and had increased in value by 15% against the US dollar. The French government had been forced to agree that their budget deficit would not exceed the 3% limit allowed for 'euroland' members.

1. The following points were made in discussion:

- It would be useful for the committee to monitor the progress of the Commission's action plan for *eEurope 2005* and the communication on services of general economic interest and state aids.
- It was important to recognise that immigration brought significant benefits and helped to maintain the economic health of the EU. The Council agreed to encourage positive engagement with states that were the main sources of migration rather than adopting punitive measures for countries that did not co-operate.
- There was disparity amongst member states in the way in which they treated asylum seekers. It was important that, when formulating a more collaborative EU-wide system, the lowest common denominator of treatment was not adopted.

Item 3: Priorities for the Danish Presidency

1. The Chair welcomed Erik Vilstrup Lorenzen, the Economic Counsellor from the Danish Embassy, to the meeting and asked him to speak to the committee about the priorities of the Danish Presidency of the Council of the European Union.
2. The Counsellor outlined the 5 priorities of the Danish Presidency:
 - The main priority was to conclude enlargement negotiations with up to 10 accession states at the European Council meeting in Copenhagen in December 2002. In October, the Commission would report on the progress made by accession states and would be able to give an indication of those likely to join in the first round of enlargement. Similarly, the aim was to finalise internal EU negotiations on issues such as agriculture by October. Bulgaria and Romania would have a new 'road map' for membership and Turkey still had to fulfil certain political conditions to commence negotiations. The Presidency would also look at developing relations with new neighbouring countries, such as Belarus, Ukraine and Moldova. The Irish referendum on the Nice Treaty was not an obstacle to enlargement and the Presidency would consider its options following the decision of the Irish people.
 - Freedom, security and justice was the second priority of the Presidency. Immigration was high on the agenda following the Seville Council and the need for increased co-operation on asylum issues had been identified. The fight against terrorism and cross-border co-operation against crime were issues that would also be addressed
 - Sustainable development was the third priority and environmental considerations would be examined during the course of the Presidency.
 - Safe food was the fourth priority and the Presidency aimed to address the reform of fisheries

- policy and the Common Agricultural Policy (CAP) in parallel with enlargement negotiations.
- Global responsibility was the fifth priority and efforts would concentrate on the World Summit in Johannesburg and on establishing the role of the EU in the world.
1. The Counsellor said that the Presidency would be looking at other issues including reforming the Council of Ministers, creating a more transparent legislative process with open debates and continuing the Future of Europe debate. The Danish Government attached particular importance to the Future of Europe and would like to see a more precise division of labour between the EU and Member States. The Danish Government was also in favour of the Charter on fundamental rights. There were strong links between the UK and Danish Governments and there would be close co-operation with the UK during Denmark's Presidency of the EU.
 2. The following points were made in discussion:
 - The committee welcomed the fact that a priority of the Danish Presidency was sustainable development and considered that it was a commendable aim to implement the Kyoto Protocol.
 - The Presidency had an overall aim of reducing the total level of state aid. The continued development of renewable energy and restoring the economy in deprived communities were important objectives but these would have to be achieved within a reduced level of state aid.
 - It was important that the peace and stability created by the EU continued to spread. The EU had to work in close co-operation with the USA in the Middle East, although there was ongoing discussion on how the EU could exert its political influence rather than solely providing financial assistance and supplying humanitarian aid. The Counsellor said that in order to develop the global role of the EU, more consistency in the Presidency of the Council was needed and consideration would be given towards developing a 'team' Presidency.
 - The debate surrounding CAP reform had to run in parallel with enlargement negotiations. It was a priority of the Danish Presidency to put enlargement before CAP reform to prevent enlargement being postponed.

Item 4: Wales European Centre

Papers: EUR 05-02(p3) and EUR 05-02(p6)

1. The committee considered Sir John Gray's Review of the Wales European Centre (WEC) and a paper on the proposed functions of the Welsh Assembly Government Office in Brussels. The following points were made in discussion:
 - There was ongoing need for a reformed WEC in Brussels to co-exist alongside a strengthened Assembly Government Office. Ideally these organisations should share one building, with a security divide between the stakeholder and governmental sections of the building.
 - The First Minister reiterated his commitment to providing facilities and briefings for all Assembly Members through the Assembly Government Office in Brussels. Negotiations on these arrangements would take place with the Presiding Office.
 - It was expected that there would be a total of 8 officials in the strengthened Assembly Government office in Brussels. The officials would cover the policy areas for which the Assembly had ministerial responsibility. Assembly officials in Brussels worked solely to the

Assembly although they had diplomatic credentials granted by the UK Rep Permanent Representative.

- The Assembly Government's relationship with UKRep would not alter as a result of a strengthened governmental presence in Brussels. A formal concordat between the Assembly Government and the Foreign and Commonwealth Office existed as part of the devolution settlement. The Assembly Government's office in Brussels had developed official and informal sources of intelligence and resources were needed to maximise the opportunities that these links provided.
- The Welsh Local Government Association was undecided as to whether they wanted to remain part of a stakeholder organisation in Brussels and the Welsh Development Agency had not made a final decision on their continued involvement with WEC. The First Minister said that the Assembly Government would continue to encourage and support stakeholders to proceed with a reformed WEC, although the final decision was for stakeholders themselves.
- Sir Brian Smith said that redundancy notices for staff at WEC would have to be issued at the end of September unless a decision on its future was reached by mid-September. Sir John Gray would follow up the review by working as a facilitator for WEC.
- Sir John Gray said that the stakeholders of WEC had to decide what they needed from Brussels and whether a reformed WEC or the Assembly Government Office could service their requirements. A reformed WEC could employ five policy officers in Brussels and one officer in Wales to assist in disseminating information to stakeholders. Sir John Gray said that in order for WEC to be reformed, agreed funding arrangements had to be in place.
- Jos Gallacher said that WEC had been fortunate to retain its current level of staffing to date, but that staff were beginning to consider their options and the uncertainty surrounding the future of WEC would lead to an inevitable slow down in the delivery of its outputs.
- The First Minister said that he would consult the Deputy First Minister regarding their respective roles in facilitating discussions with stakeholders.
- The First Minister was pressed to provide funding to underwrite WEC's future in the short term. The First Minister said he could not make financial guarantees off-the-cuff but that if short term funding became a problem while decisions were still being worked out then he was sure that the situation could be looked at sympathetically.

Item 5: Reports from Standing Invitees

1. Catherine Eva reported that Romano Prodi and Neil Kinnock attended the opening of the European Commission's new office at Caspian Point. At the invitation of the Disability Rights Commission, Romano Prodi would also attend an event in Wales next year to coincide with the 'European Year of the Disabled'. The Chair informed the committee that this would be Catherine Eva's last committee meeting as Head of the Commission's Representation in Wales. Members thanked Catherine Eva for her contributions to the committee and for all of her work in Wales.
2. Rose D'Sa had recently undertaken assignments in Bosnia-Herzegovina in connection with the application of human rights law. Bosnia- Herzegovina could be part of a second wave of countries seeking accession to the EU.
3. Rosemary Butler reported that the main debates at the last session of the Committee of the Regions were on enlargement and the Convention on the Future of Europe. Opinions on Youth and Health and Safety at Work were accepted at the session and opinions on fisheries and more transparency in the European Union were currently being worked on. Rosemary Butler

undertook to liaise with Gwenda Thomas, the Assembly's representative on the Congress of Local and Regional Authorities of Europe (CLRAE) on issues of mutual interest.

Item 6: Discussion with Chair of Local Government and Housing Committee

1. The Chair welcomed Gwenda Thomas to the meeting and asked her to speak to the committee about the Local Government and Housing Committee's (LGH) work in relation to Europe.
2. Gwenda Thomas said that European issues were seldom considered in LGH Committee. The rules and regulations that impact on local authorities and communities tended to be non-devolved issues and did not impinge on the committee's time. The one issue that the committee had considered was the operation of structural and other European funds. LGH Committee had recently completed its policy review of Community Regeneration and a key aspect of the review was the financing of community regeneration activity. Funding problems were the major difficulty facing community regeneration and the committee realised that European funds, along with other funding streams, could play an important part in improving the situation. However, many community organisations felt prevented from seeking funding by the bureaucratic requirements of funding systems.
3. Gwenda Thomas said that she was also the Assembly's representative on the UK delegation to CLRAE. The Council of Europe established CLRAE in 1994 as a consultative body to replace the former Standing Conference of Local and Regional Authorities. Gwenda Thomas attended the CLRAE plenary session held in June this year and this was the first meeting where the Assembly was represented as a full member. The 'alternative' Welsh representative was Councillor Alan Lloyd from the Welsh Local Government Association and he was elected a Vice-President to the Congress at the June meeting. Gwenda Thomas said that the Assembly's representation at CLRAE required clearer definition as local government was a devolved function and the UK delegation had different objectives to those of the Assembly.
4. The committee requested information on the work of CLRAE and Gwenda Thomas undertook to provide the committee with a copy of the organisation's rules of procedure (**action point**).

Item 7: European Fisheries

Paper: EUR 05-02(p4)

7.1 The committee noted the paper.

Item 8: Minutes of the Previous Meeting

Paper: EUR-04-02(min)

8.1 The minutes of the previous meeting were agreed.

The meeting concluded at 12.56pm.