

**Date:** Wednesday 12 March 2003  
**Venue:** Committee Rooms 3 & 4, National Assembly for Wales  
**Title:** Paper from European and External Affairs Committee

1.1 At its meeting on the 30 January, the European and External Affairs Committee considered a paper setting out the impact of the EU Commission's Annual Work Programme on Wales, and agreed it should be circulated to all subject committees. A copy is attached at Annex A.

1.2 Members are asked to note the paper, particularly the proposals for health contained in paragraphs 15 to 18.

Committee Secretariat

**Annex A**

## **European Commission's Legislative and Work Programme for 2003, analysis of implications for the Welsh Assembly Government**

### **Purpose**

1. Following the broad overview of the Commission's Work Programme 2003, presented to the Committee on 5 December 2002, this paper is to inform Members about the implications of the Commission's Work Programme for the Welsh Assembly Government. It is a paper for information.

### **Summary**

2. As noted in paper EUR-02-(p5), the overarching themes of this year's Legislative and Work Programme are: An Enlarged Europe; Stability and Security; and Sustainable and Inclusive Economy. The key challenges that the Commission considers face the EU in 2003 are : preparing for enlargement; defining the future of Europe; and relations with the enlarged EU's neighbours. This enlargement is compared in terms of political importance to the founding of the EC, 45 years ago.

3. Additionally, the programme focuses on actions to clear the backlog of commitments relating in particular to justice and home affairs matters. Areas of proposed activity range from reports on genetic engineering to the regular renewal of driving licences, from harmonisation of EU divorce laws to the impact of stress on health, and from the fight against crime generally to combating violence against children.

## **Introduction**

4. The Work Programme summary, prepared by the Commission, sets all 2003 activity in the context of enlargement and the demands that will make on the Commission's own resources, with the Commission noting that the programme has been established following extensive dialogue with the Council and the European Parliament. Following initial reduction by the Council of the amount proposed to be spent by the Commission on administration, to cover the cost of 500 temporary staff to assist with the enlargement preparations, the Parliament and Council subsequently made this recruitment possible by reinstatement of the original allocations to the administration budget.

5. New to the Commission's working methods is the introduction of impact assessments, with around 40 legislative proposals to be subject to these in 2003. From 2004, all major proposals will be assessed for adherence to the principles of subsidiarity and proportionality and the economic, social and environmental benefits will also be analysed.

## **Overview of Proposals with implications for the Welsh Assembly Government**

6. This section is based on returns from Assembly Government officials across Assembly policy groups, who were invited to consider the implications for their work of the programme. It takes in turn the two themes of most relevance to the Assembly's business, "an enlarged Europe" and "sustainable and inclusive economy".

## **AN ENLARGED EUROPE**

7. Preparing for the successful enlargement of the EU is the central theme of the Commission's 2003 programme. This involves ensuring a smooth accession process, as well as the continuing monitoring of the candidate countries' implementation of their commitments. The recognition of the need to provide guidance and financial support in order to assist the candidate countries to strengthen their administrative and judicial capacities is welcome.

8. The enlargement agenda will continue to be driven forward with the preparation and implementation of Road Maps for Bulgaria and Romania for the period up to accession and the strengthening of the pre-accession strategy for Turkey.

## **SUSTAINABLE AND INCLUSIVE ECONOMY**

9. The Commission will mark the 10<sup>th</sup> anniversary of the single market with a report on the strengths and weaknesses of the Internal Market, with an assessment of what remains to be achieved and suggested future actions. Another high-level report will be the progress report to the European Council (21 March 2003) on the Lisbon strategy for economic, social and environmental renewal, the decade-long programme of change launched by the Council in March 2000. It will focus on implementation and on priorities needed over the coming year to keep the strategy on track.

10. The Commission also signals its proposal, which will involve several Directorates-General, to develop a thematic strategy for the urban environment, which will focus on the "improvement of the environmental efficiency of urban areas to secure a healthy living environment for urban citizens".

### **Structural and Cohesion Funds.**

11. In addition to regular annual reports on the funds, and specific activities relating to mid-term review of the current programmes, the Commission is to publish a Second Progress Report on Economic and Social Cohesion (January 2003), followed by its Third Report on Economic and Social Cohesion. The Third Report, a key document that will outline the Commission's proposals for the structural funds post-2006, is scheduled for publication in October/November this year.

12. The Commission is also proposing legislation concerning a new instrument for cross-border cooperation. This is subject to the outcome of ongoing discussions by the Council on EU enlargement and would be intended to consolidate the separate programmes currently aimed at the candidate states (Phare, Tacis) and Interreg.

### **Competition Policy.**

13. The Commission publishes annual documents on state aid, but will this year be looking at the important area of reform of the state aid rules. The aim of the reform will be to "promote the legitimacy of the Commission's state aid control... through [in part] rationalisation and simplification of procedures". It will also publish legislative proposals on aid to SMEs and for training. The Commission is preparing work in 2003 on the definition of an SME which will impact upon this and other areas of EC legislation. At the end of 2003, the Commission intends to publish a definitive list of sectors suffering from serious structural problems, which will be used in conjunction with the new Multi-sectoral framework on regional aid for large investment projects. Beyond certain thresholds, no regional investment aid will be permissible to firms in the sectors to be listed.

## Vocational Qualifications.

14. The proposal to strengthen Europass, an initiative aimed at encouraging trainees to undertake training in more than one member state, is a relatively modest initiative, compared to the pre-existing wider-ranging and controversial proposals to enable those with professional qualifications to practice in other member states. While the latter, which is still in the discussion stages, is – like many areas of EU policy – primarily a matter for the UK Government, areas of Assembly Government responsibility, such as health professionals and, possibly, teachers, will be affected.

## Health

15. The proposal to establish a new EU agency to coordinate Communicable Diseases issues (principally surveillance) is welcome, though there is debate as to whether it should tackle a wider range of public health protection issues, like bio-terrorism and chemical hazards. Whether or not UK primary legislation results from the European activity, there will be a need to ensure that there is effective linkage with UK mechanisms. In Wales, there is a probability that this work would fall to the soon to be established Health Protection Agency.

16. The proposition regarding measures to deal with a European influenza pandemic is welcome in principle, although it is unlikely that there would be specific issues for Wales.

17. Assembly Government public health officials will also maintain a watching brief on a number of proposed activities:

- 'co-operative exchange' in the area of health and long-term care of the elderly [HP Action Plan for Older People] ;
- the proposed establishment of a clear and predictable regulatory framework for the nutritional and health claims that can be made in the labelling, presentation and advertising of foods....' [Nutrition programme];
- a consultation on a Community proposal 'on stress at work, as foreseen in the Commission communication "Adapting to changes in work and society; a new Community strategy on health and safety at work 2002-2006"[Workplace Health programme]; and
- proposals regarding 'the level of implementation of the health and safety at work directives and their impact in the Member States' [Workplace Health programme]

18. One or two other items in this sphere have been noted as having a possible impact in the longer term, but there is less detail to go on, for example proposals for a Communication setting out 'the goals and objectives of the European Community's health policy and how the Commission intends to develop this policy area in the future'.

## **Agriculture**

19. On the agriculture side, a formidable list of actions is proposed. A number of these would impact upon Wales, notably those dealing with the welfare of chickens reared for meat and relating to the control of TSE/BSE in the Union. None of these proposals is unexpected or unwelcome. Looking at particular areas of agriculture policy:

### **CAP mid term review**

20. The outcome of the mid term review of the Common Agricultural Policy is likely to have significant implications for farmers in Wales. As Minister for Rural Development, together with officials from the Agriculture and Rural Affairs Department, we are fully involved in key discussions in both London and Brussels to influence the UK Government's negotiating position. This approach is intended to ensure the best deal for Wales and Welsh farmers.

21. Draft legislative texts from the Commission are expected to be available in late January and the Welsh Assembly will discuss these with the other UK Agriculture Departments and with Welsh stakeholders.

22. The Agriculture and Rural Development (ARD) Committee, receives regular situation reports on all developments and participates in the consultation process.

23. Appropriate domestic legislation to implement any agreed CAP reform policies will be made through the National Assembly in due course.

### **Specific Agriculture Commodity Legislation**

24. Included within the Commission's detailed list are several entries referring to legislation on specific agricultural commodities (covered by AFPD1) which, if relevant to Wales and the rest of the UK, will be considered with the other UK Agriculture Departments, and appropriate domestic legislation introduced. DEFRA remains in the lead on these issues and involves the Devolved Administrations.

### **Fisheries**

25. There are a number of fisheries entries in the programme. They all refer either to legislation to back fisheries agreements with Third Countries, or legislation arising from the ongoing Review of the Common Fisheries Policy.

26. The Third Country Agreements will have no affect on the Welsh Industry. The effects of the CFP reform will not be known until we and the other UK Fisheries Departments decide how to implement the Commission's proposals. The initial view is that the indigenous Welsh inshore fleet will be little affected

by the changes, but there could be quite restrictive conditions imposed on the deep sea fleet, although the vast majority of those vessels are foreign owned "quota hoppers" i.e. foreign owned vessels which are registered in the UK and which fish against UK quotas.

## **Transport.**

27. There is a proposal for a directive of the European Parliament and the Council on the management of road accident black spots and minimum standards of information to drivers on the Trans-European Transport Network. These are guidelines to set national identification and management systems of accident blackspots and minimum standards of information to drivers to implement on TEN's. Network Management officials consider that the new guidelines would undoubtedly have an impact that will need to be considered and assessed both financially and technically. Currently both TEN routes are equipped with a fibre optic cable infrastructure, which supports data collection, CCTV and variable message signing. We also operate 2 traffic control centres, these supply a single information centre which places information on the WWW sites, operates the WAP phone service, traveller information line and other associated information services for the whole network, including incident management (irrespective of location). Currently no specific information services are provided for 'accident blackspots'.

28. A proposal is made for a Decision replacing Decision 1692/96/EC on the Community guidelines for the development of the Trans-European network in the field of transport. The proposal will define new outline plans of transport infrastructure that can be qualified as trans-european. The outline plans will consist of a small number of high capacity (land & sea) routes and transport nodes and identify priority projects in current and future Member States. It is considered possible that a scaling down of the TEN in Wales (E22 east-west in North Wales and E30 east-west in South Wales) would have a negative impact. Its existence helps to combat geographical peripherality arguments and as such has been part of the justification for some improvements in the Trunk Road Forward Programme. Specifically, the proposed improvements at Deeside and the A40 west of St Clears are based partly upon improving links to west Wales and Ireland beyond. There are no current, or planned, TEN's priority projects in Wales.

## **Culture**

29. The Commission is proposing a number of legislative and non-legislative acts in the audio-visual and media sectors. These include proposals to establish an European programme to support the audio-visual sector. Some of the measures are related to the continuation of the Media Plus programme, which is currently administered in Wales by Sgrin, the Media Agency for Wales. Officials are keeping an eye on developments.

30. The Commission is preparing a communication on its action plan for linguistic diversity and the teaching of languages. Officials have contributed to the UK's response to the Commission's proposals.

31. Statistics. EUROSTAT will oversee legislation to amend the list of variables used in the Labour Force Survey, recognising a need to introduce measurement of concepts such as flexibility and quality of

work.

## **Compliance**

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

## **Financial Implications**

33. There are no additional financial implications for the Assembly arising from the issues covered in this report. The Legislative and Work programme is a statement of proposed new initiatives and development of existing ones but does not of itself constitute proposals for new legislation or expenditure. Thus the document has no direct bearing on UK public expenditure, or indeed the EC budget. Clearly, implementation of new initiatives and pieces of legislation needs to be considered by Ministers and their officials when the time comes.

**Divisional Contact:** European and External Affairs Branch 2, Head of Branch: Jackie Brown (ext 3157).

**Michael German**  
**Deputy First Minister**  
**Minister for Rural Development and Wales Abroad**