

Committee on European Affairs

MINUTES

Date: 9 March 2000

Time: 9.30am

Venue: Committee Room 1

Attendance: **Members**

Rhodri Morgan, Chair	Labour: Cardiff West
Mick Bates	Liberal Democrat: Montgomeryshire
Nicholas Bourne	Conservative: Mid & West Wales
Jocelyn Davies	Plaid Cymru: South Wales East
Val Feld	Labour: Swansea East
Alun Michael	Labour: Mid & West Wales
Jonathan Morgan	Conservative: South Wales Central
Alun Pugh	Labour: Clwyd West
Rhodri Glyn Thomas	Plaid Cymru: Carmarthen & East Dinefwr
Phil Williams	Plaid Cymru: South Wales East
Prof Rose D'Sa	ECOSOC
George Wright	ECOSOC
Brian Smith	Committee of the Regions
Jonathan Evans	MEP
Eluned Morgan	MEP

Catherine Eva	Head of European Commission Representation in Wales
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Officials

Hugh Rawlings	Head, European Affairs Division
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Caroline Turner	European Affairs Division
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Gary Davies	Head of Industrial Development Division
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Ifona Deeley	Industrial Development Division
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Andrew George	Clerk
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Julie Bragg	Deputy Clerk
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Apologies were received from Christine Gwyther, Glenys Kinnock, MEP, Eurig Wyn MEP, and Jill Evans MEP.

Agenda Item 1: Chair's report

Paper: EUR-01-00(p.1)

1.1 The Chair wished to highlight one particular item in his report: the Committee's visit to Brussels on 2 and 3 March. He reported that the visit had gone extremely well. All Members of the Committee had participated and although the visit had mainly concentrated on issues related to the remit of the Committee, some side meetings had also taken place with Commission Officials on Objective One funding and at the Competition Directorate.

1.2 The visit had also enabled the Committee to formally submit the Assembly's application for membership of the Wales European Centre (WEC) and to highlight the forthcoming opening of the Assembly Office in Brussels. The Office would be headed by Des Clifford who would take up post in April. An Executive Officer to support him was currently being selected. The two Assembly staff would be based in the same building as the WEC and would also be able to 'hotdesk' at the offices of the UK's Permanent Representative (UKRep) as fully accredited diplomats. In making these arrangements, the approach taken by the Scottish Parliament to establish a separate office had been considered. However, it was felt that the Assembly would benefit greatly from its partnership with the WEC.

1.3 Catherine Eva advised the Committee that, following the visit, the Business Secretary and officials, had spoken at an event on 6 March to brief UKRep and Commission officials on the implications and impact of devolution in the UK. It was important to keep the Commission up to date with developments. George Wright felt that the Assembly's membership of the WEC would be important in maintaining high levels of knowledge. The profile of Wales in Brussels would also be more visible because of their

new premises. Members expressed some disquiet about the accessibility of the new building for disabled people. Mr Wright explained that the WEC were aware of the potential difficulties and were looking to address them.

1.4 Discussion moved on to the remit of the Committee and the fact that the equivalent Scottish Parliament Committee considered all legislation and directives coming from the EU. It was acknowledged that the Scots were finding dealing with all EU legislation in one Committee problematic. The Assembly's system of allowing individual Assembly Secretaries and the corresponding subject committees to deal with the legislation and any policy developments applying to their area, which had been endorsed at the Committee's meeting on 23 November 1999, was felt to be a more effective means of approaching this. However, a few concerns were raised about the possibility that some EU legislation might fall by the wayside because it didn't fit neatly within any Assembly Secretary's remit.

1.5 The Chair considered that it was appropriate for the Committee to maintain its current strategic role whilst Assembly Secretaries and subject committees dealt with specific policy aspects, particularly with major issues such as enlargement of the EU on the horizon. However, he was reluctantly open to changing the remit to something nearer the Scottish model if Members felt that was the correct way forward. It needed to be borne in mind that the Committee would be monitoring how Assembly Secretaries and subject committees implemented EU legislation; and also that there was a vast array of legislation which applied to the UK as a whole and which it would not be productive to consider at the Wales level. Officials were asked to produce a further paper on the implementation of EU policies and directives for the next Committee meeting and members agreed that discussion of the Committee's role should be revisited at that time.

Agenda Item 2: International Relations and the Profile of Wales

Paper: EUR-01-00(p.2)

2.1 Gary Davies introduced this paper which outlined the track record of the Welsh Office and how the Assembly is developing relations with regions overseas. Members emphasised the importance of maintaining these relations, and particularly with Japan, despite the fact that the emphasis might have changed focus from purely economic development. It was recognised that the benefits which would accrue from this type of programme were often intangible although any relationship which raised the profile of Wales could be important in the long term.

2.2 Members felt that additional partnerships should not just be with European partners but should extend world-wide. Developing such activities should prove easier now that the Assembly was in existence. Opinions differed on whether future partners should be those who could bring economic benefits to Wales; within those countries seeking future membership of the EU; or should be of a more philanthropic nature, as advocated by the United Nations, such as Lesotho.

2.3 In answer to a question, Gary Davies explained that at present the International Relations Unit had four staff. Its budget for activities with current partners was £300,000 in 2000-2001. Raising the level of

activity with current partners or establishing new agreements would pose a significant burden on the existing team and also on the Assembly as a whole which would need to carry out the resulting activities.

2.4 Current activities to raise the profile of Wales, included developing a promotional package in collaboration with other agencies such as the WDA, the Wales Tourist Board and the WEC. This consisted of an interactive CD-Rom with up to date information on Wales; an information pack for journalists with more detailed information on Wales and the Assembly; and a more general information pack for visitors and for use overseas. There would also be a hard back book using the same base material. The CD would be distributed to British Embassies, the British Council and Welsh societies overseas. The whole package was expected to be available in April.

Agenda Item 3: INTERREG

Paper: EUR-01-00(p.3)

3.1 This paper had been presented for Members' information because the detailed guidelines on the new INTERREG programme had yet to be agreed. More detailed papers would be provided for consideration at future meetings. The important strands of the programme for Wales were Strand A (which would build on the current Wales/Ireland programme) and Strand B which would provide the opportunity for Swansea and Cork to work together outside the current programme. Funding under this programme would be additional to current European Regional Development Fund grants. The calculation of the proportion of money to come to Wales would be carried out at the UK level and PES cover would be required. In response to a question, Caroline Turner confirmed that adjacent areas would be eligible once identified on the Single Programming Document.

3.2 The Chair pointed out that the previous INTERREG programme between Wales and Ireland had been a triumph against all the odds because the programme had been intended to apply only to land-locked areas. Many participants in the first programme had now dropped out but Wales and Ireland were continuing into the second programme because of their previous success.

Agenda Item 4: Policy Review - progress report on the work strategy

Paper: EUR-01-00(p.4)

4.1 A brief progress report had been provided for the Committee on the work strategy. It had already been agreed that a more detailed paper would be provided for the next meeting.

Agenda Item 5: European Commission's Forward Work Programme

Paper: EUR-01-00(p.5)

5.1 Catherine Eva introduced this paper which outlined the work which the Commission would be aiming to achieve over the forthcoming months. One of the most important areas it would consider was promoting new forms of governance. This would include such things as the size of the Committee of the

Regions, membership of its committees and how individual representatives were selected. Welsh representatives are currently nominated as appointees of the British Government but consideration would need to be given to this.

Agenda Item 6: European Commission Draft White Paper on Administrative Reform
Paper: EUR-01-00 (p.6)

6.1 The White Paper had been produced by Commissioner Kinnock. The reforms proposed had been agreed by the Commission on 1 March and would now be implemented. The changes would represent the most profound programme of modernisation since the formation of the Commission forty years ago and they affected all European institutions. The changes could do much help to eliminate the possibility of overpayments and fraud.

Agenda Item 7: Priorities of the Portuguese Presidency
Paper: EUR-01-00(p.7)

7.1 The priority of the Portuguese Presidency is the Inter-Governmental Conference (IGC) which commenced two week ago. The IGC was mainly concentrating on reforms in preparation for enlargement of the EU. One of the highlights of the Presidency will be the Lisbon summit on employment issues. Although the Assembly did not have direct responsibility for employment issues, Wales would wish to have its voice heard. The Chair suggested writing to the two other devolved administrations to assess how they and the Assembly could have an input into the UK Government papers for the Lisbon summit.

Agenda Item 8: Inter-governmental Conference
Paper: EUR-01-00(p.8)

8.1 Much of the agenda for the IGC is concerned with getting the Commission into a position where it can service properly potentially up to 27 members. The consequences for Wales are likely to be largely indirect. There is a possibility that the Conference may discuss issues such as the size of the European Parliament and the Committee of the Regions. The mechanism for Welsh input into the Conference and for regional governments to be represented in national delegations had been defined by the Concordat on EU policy issues which exists between the Assembly and the Foreign Office. This means that the Assembly receives information about the development of the UK's line but it is the UK government that will reach agreement. The distribution of UK seats in the European Parliament is a matter for the UK Government.. An Act of Parliament provided for Wales to have an allocation of seats based on the size of its electorate.

8.2 Members felt that there were a number of areas in which it was important for the Assembly to have an input besides the number of MEPs for Wales. For example, the reform of the European Court of Justice was significant because of the length of time it currently takes for decisions on cases to be reached (a minimum of 2 years). Changes in procedures for co-decision making could also have an

important impact on Welsh issues as could the proposed extension of qualified majority voting (particularly in relation to cultural matters). There were also proposals to change the current arrangements for consideration of legislative matters by the European Economic and Social Committee which would prevent any input from non-politicians.

8.3 Members remarked that 'Europe' did not raise much interest among the general population but is viewed as a cause of problems rather than solutions or assistance. It was suggested that a 'roadshow' to raise awareness of European issues could be organised, although clarification would be needed as to whether the Assembly had powers under the Government of Wales Act 1998 to organise such an event. Officials were asked to provide advice on this.

8.4 The Chair invited Members to consider which issues they wished to raise with the UK Government. It was agreed that the Committee's views on the number of MEPs for Wales; the competence and efficiency of the European Court of Justice; and qualified majority voting on cultural issues should be communicated to the Foreign Office.

Agenda Item 9: Implications and Opportunities for Wales of Enlargement of the European Union Paper: EUR-01-00(p.9)

9.1 Members noted that the implications of enlargement stretched beyond the issue of reduced labour costs in new member states making them potentially more attractive for industrial investment. Market changes, the prevalence of 'old' industries and the likely demands for providing subsidies (particularly for agriculture) could all have significant implications for Wales. However, as enlargement is likely to take place between 2002 and 2010, there was still time to work on these areas.

9.2 Enlargement would not just bring economic changes. Catherine Eva noted that the proposed new members were largely from ex-communist or Muslim countries and this would have a profound effect on the politics, culture and evolution of the EU. Members noted that the whole issue of enlargement was too vast a topic to be considered as one item on the agenda. This was why it had been chosen as one topic to be considered at the next European Forum and it would also feature on future agendas of the Committee. A WEC report on the implications of enlargement would be published shortly and could be considered at the next meeting.

Agenda Item 10: Plans for the next European Forum Paper: EUR-01-00(p.10)

10.1 The date of the next forum meeting was now planned for 12 May. Lord Leon Brittan had been invited to be the Principal Speaker. The Forum would focus on the Euro and enlargement (and would feature working groups on these items) and also on Research and Development. The subsequent Forum would take place in north Wales in the Autumn.

10.2 Members pointed out that 12 May was also the date of a Local Government Partnership Council

meeting in Wrexham so officials agreed to look into the possibility of changing the date. It was also suggested that making available information on loans from the European Investment Bank at the Forum might be an incentive in encouraging business representatives to attend.

Agenda Item 11: Minutes of previous meeting

Paper: EUR-03-99(min)

11.1 The minutes of the last meeting were agreed.

11.2 Members were advised that an exhibition by the European Information Network was taking place in the Assembly's milling area.

11.3 Rose D'Sa advised that a document called 'A Strategic Review of European Law' had recently been published and was aimed at business. She would make them available to the Committee via the Secretariat.

11.4 The meeting closed at 12.35pm.

11.5 The next meeting would take place on Thursday 18 May.