

EUROPEAN AND EXTERNAL AFFAIRS COMMITTEE

MINUTES

Date: 5 December 2002
Time: 2.00pm
Venue: Committee Room 3, National Assembly Building

Attendance: Members

Tom Middlehurst (Chair)	Labour: Alyn and Deeside
Nicholas Bourne	Conservative: Mid & West Wales
Rosemary Butler	Labour: Newport West
Christine Chapman	Labour: Cynon Valley
Mike German	Liberal Democrat: South Wales East
Ieuan Wyn Jones	Plaid Cymru: Ynys Môn
Rhodri Morgan	Labour: Cardiff West
Rhodri Glyn Thomas	Plaid Cymru: Carmarthen East & Dinefwr
Phil Williams	Plaid Cymru: South Wales East

Standing Invitees

Glenn Vaughan Acting Director, Wales European Centre

Invitees

UK Ambassador of the Czech Republic

In Attendance

Phil Bird	European and External Affairs Division
Jackie Brown	Head of Unit, European Programmes
Des Clifford	Assembly Office in Brussels
Gary Davies	Head, European and External Affairs Division
Claire Bennett	Committee Clerk
Lara Date	Deputy Committee Clerk

14.00- 14.05

Item 1

Introductions, apologies and declarations of interest.

1. The newly-appointed Chair welcomed everyone to the committee, in particular the UK Ambassador of the Czech Republic, Dr Pavel Seifter, who spoke about enlargement and links between Wales and the Czech Republic.
2. Apologies had been received from John Griffiths AM, Jonathan Morgan AM, from the MEPs Jill Evans, Jonathan Evans, Glenys Kinnock, Eluned Morgan and Eurig Wynn, standing invitees Janet Davies AM, Rose D'Sa, Councillor Jon Huish and Brian Curtis, the new member of the Economic and Social Committee.

14.05 – 14.20

Item 2

Minister's Report

Paper: EUR-07-02(p1)

1. The Deputy First Minister followed up on some points in his written report.
2. It was an important boost for Wales that the First Minister had been asked to play a key role in discussions of EU regional policy within the Committee of Maritime and Peripheral Regions (CMPR).
3. Work to keep up with deadlines for transmission of EU directives was going well and Assembly lawyers and officials were devising a tracking table to monitor progress.
4. The announcement by the Swedish Government to hold a referendum on joining the European

Monetary Union was also noted.

5. At a meeting of the board of Wales European Centre (WEC) on Monday 9 December there would be consideration on outstanding legal and financial issues relating to representation of Wales in Brussels. This would include transfer of the lease on the Team Wales building, budgetary issues, and the pattern of representation. Essentially there would be a presence from the Welsh Assembly Government, a reformed WEC, the Welsh Local Government Association (WLGA), and possibly the Presiding Office. The Assembly Government was working with WEC and other partners to resolve outstanding issues relating to the new structure and its financing before the start of the next financial year. The Minister shared the members' concerns that firm decisions were taken to restore stability and reassure staff, but was confident that the agreement on final details would not affect the new structure being put into place. The committee commended the work already done by the Deputy First Minister and the Welsh Assembly Government.
6. It was noted that useful meetings had recently been held with a senior United States diplomat and with the Consul General of Ireland and other honorary consuls. There was huge potential for developing better links and exchange of information with honorary consuls in Europe and elsewhere, in particular by consulting them on issues of common interest.
7. Members were generally content with the format of the Minister's report although the annex of activities did not reflect all visits by Assembly officials and Members to EU institutions or Brussels work placements.

Action points:

The committee would be provided with a summary report including as much information as possible on:-

- visits to Brussels by Assembly members and officials during the past year and the purpose of those visits
- an update on the number of placements of officials with EU institutions.
- visits and activities involving other European regions and areas (this information also to be shared with honorary consuls if appropriate).

14.20 – 14.40

Item 3

Presentation by the Czech Ambassador to the UK, on EU enlargement

1. The outgoing Ambassador of the Czech Republic, Dr Pavel Seifter, spoke to the committee. The main points of the discussion were:-
2. A joint declaration on trade was being signed that day in Prague between the Czech Republic and the Minister for Economic Development Andrew Davies, on behalf of the Welsh Assembly Government. It was recognised that important gains could be made on both sides as a result.
3. The Czech Republic was very interested in being represented in Wales hoped to appoint an honorary consul soon.
4. Joining the European Union was the number one priority for the Czech Republic and its

government, and the leading issue in its forthcoming general election. There was some opposition to accession but opponents were cautious in their approach to the issue. Only the Communist Party was expected to vote against it in a referendum.

5. Negotiations on accession were nearing an end, and the process of adoption of the Aquis Communautaire and related legislation had sometimes been painful. For example, there had been quite heated discussion about future EU funding, especially in relation to the Common Agricultural Policy and the agricultural sector. The principle behind funding, rather than the amount offered, was the key issue. The Czech people wanted a level playing field and the issue would affect the outcome of the 15 June 2003 referendum. The possibility of becoming net-payers to the EU had been prevented by a Danish package but some details were still being worked on.
6. It was important that the agricultural sector should not suffer through unfair competition. Subsidy of 25 per cent or more was being offered but it was recognised that this needed to be balanced against lower costs in the Czech Republic. The rural population of the Czech Republic was 4-5 per cent of the total, and unlike Poland, agriculture only accounted for around 2.5 per cent of GDP. As in the UK it was still a contentious issue. To prevent negative effects of movement from rural to urban areas the flow of funds should be redirected into rural development to support rural communities.
7. Referenda in the candidate countries will be co-ordinated with Hungary first, as it has the most positive public opinion, followed by Poland and then Czech Republic where the public is more sceptical. After entry agreement will then need to be reached regarding the Schengen agreement, and the timing for joining the Euro and its associated economic safeguards.
8. Ratification of the Convention on the Future of Europe by national parliaments was not expected to cause major problems in Czech Republic but might do in other countries such as Austria.
9. The Ambassador and the committee noted the discussions around accession of other countries, including how resolving issues relating to Cyprus could positively affect Turkey's position regarding possible future entry into the EU.
10. The Ambassador and committee discussed the importance of developing tourism, and extending it beyond Prague. Subject to certain formalities and financial viability it was hoped that direct flights from Cardiff to Prague might start in 2003, and the Assembly could then encourage travel agents to promote two-way travel between the two countries.
11. The Chair thanked the Ambassador for speaking to the committee and for his contribution to promoting links between the two countries.

14.40 – 14.45

Item 4

Report from the Enlargement Working Group

Paper: EUR-07-02(p2)

1. The Deputy First Minister spoke to his report on the group, which he chaired.
2. The Chair had invited the group to review its terms of reference and what the group's future should be. Views would be provided by 31 December and forwarded to the committee to

consider.

3. The view of the group was that it had made good progress especially in identifying potential partners, with agreements with Silesia and the Czech Republic cited as examples. It was now an opportune time to look at a longer term strategy to identify potential outcomes and benefits to Wales.
4. A revised action plan on enlargement would be drawn up to ensure it was a living document and this would be circulated to the committee for information. It was felt that the group could assist in arriving at a Welsh position on future cohesion policy and to influence the UK position, as well as steering the committee's views on that.

Action point:

- A paper outlining recommendations for the future of the working group and a revised action plan would be put before the committee at a future meeting.

14.45 – 15.15

Item 5

Reports from the 'European post-2006 Regional Policy – Wales Voice' seminar and an EU seminar on the future of the European Structural Funds

Paper: EUR-07-02(p3)

Paper: EUR-07-02(p4)

1. It was noted that the meeting of the First Minister with Commissioner Bagnier on cohesion policy will now be in February.
2. The WAG seminar in Swansea on 18 October had been a useful way to commence debate on the future of the EU structural funds. Attendees were invited to be bold in discussing what they thought might be necessary post-2006. There was a lot of discussion on the merits of money coming from the EU or from national government but no clear conclusions were drawn.
3. The First Minister had spoken on this issue at the Confederation of Peripheral and Maritime Regions meeting in Poitiers on Monday 2 December, where he had been asked to chair its group on the direction of post-2006 Structural Funds. It was also noted that at the last conference of the Regions with Legislative Power (RegLeg) the First Minister of the Scottish Parliament had been made its President-elect from 2003 and was already involved in that group's leadership discussions on the Laeken Convention.
4. The DTI consultation paper on the future of Structural Funds was still awaited. It would set out all the options including repatriation of money and the possibility that post-2006 the UK government would be able to offer non-EU funding in a way that would benefit the recipients more than funding from Europe. The Swansea seminar had found that there was support for direct access to funding from Brussels, rather than simply being dependent on repatriated funds as this would guard against the risk of losing access to money as a result of future changes in UK government policy.

5. It was noted that after enlargement, in terms of GDP, areas of Wales that currently receive funding will appear relatively more prosperous and bigger contributions may be made into the EU with less funding coming out.
6. The WLGA has set up a group on cohesion and are keen to work with the Assembly to present a united Welsh front on the issue.
7. A Welsh Framework paper would be produced to reflect views so far and give a Welsh flavour to the UK consultation process. It would be important to circulate this to Assembly committees for their consideration, including European and External Affairs, Economic Development and Agriculture before the end of the full cycle of consultation meetings. The Welsh Assembly Government would be working towards a deadline of the 3rd cohesion report in 12 months.
8. Members were concerned that although there might be more consultation with stakeholders in Wales than elsewhere in the UK, stakeholders could still be more involved in the process of consultation. It was important to provide platforms suitable for a range of people to be involved. Concerns were raised about the number of private sector representatives attending the Swansea seminar and the importance of engaging the business community in Objective 1 initiatives.
9. It was recognised that the education and local authority sectors had personnel who could devote time to pursuing Objective 1 funding. It was noted that this type of grant support would not be suitable for everyone, but there was no reason why it should not be suitable for the private sector in general.. The Assembly's Social Partners Unit was intended to help in this regard. It was also noted that in the Economic Development committee the CBI had acknowledged that progress was being made in directing funds to projects involving the private sector and more were in the pipeline.
10. Reference was made to media coverage of the Audit Committee's report on the delivery of EU structural funds and whether there was a risk of decommitment of funds. It was noted that ERDF and ESF targets had been met and it looked as if agricultural programme targets would also be met before December. The report had also recognised that important progress had been made in delivering funds. The Cabinet would make a formal response to that report within 30 days in accordance with Standing Orders.
11. The contribution to the Swansea seminar of Jack Malan, from the Centre for Strategic and Evaluation Studies, was welcomed, in particular his focus on looking beyond the amount of funding to the quality of jobs it created, especially for those from socially excluded groups. It was not just about mathematics but about ensure that funding brought about sustainable economic growth.
12. Lynda Attwell of Wales European Funding Office spoke to the paper on a Brussels seminar regarding the human resource activities post-2006 in the context of enlargement. It was not known how much money there would be for ESF post-2006 and the Lisbon agenda had set ambitious targets for full employment by 2010. At the seminar in Brussels various countries had put forward their views. Some had wanted to raise issues such as child poverty and housing, others wanted the funds more focused because of the likelihood of less money being available. There were no clear conclusions and it was still a consultative process.

The committee agreed to break from 15.15 – 15.35

15.35 – 15.45

Item 6

Report on the European Commission Annual Work Programme

Paper: EUR-07-02(p5)

1. Officials were analysing the work programme and would bring forward a paper for the next meeting to show how the Assembly's work programme could plug in to the Commission's work programme.
2. The Commission had flagged up that they anticipated resource implications of employing an additional 500 staff to handle enlargement.
3. It was noted that there were efforts to bring policy discussions in line, for example by considering Structural Funds alongside other reforms. There was also evidence that, following recommendations in the context of the White Paper on Governance, the Commission was attempting to give more explanation of the aims and objectives behind its planned work programme.
4. The Commission was also now obliged to do impact assessments on their policy proposals before launching them.
5. The standing invitee from WEC pointed to a number of strategic issues coming up such as cohesion, which the Welsh Assembly Government was getting involved in. There were also elements of the programme that would have an impact in Wales, such as the implementation of the 6th Environmental Action Programme that would affect local authorities and public bodies in Wales. Initiatives on best practice in lifelong- and e-learning would be of interest to ELWa. A new Green Paper was being launched on entrepreneurship and there were a number of important projects in Wales in that area involving the Welsh Development Agency and the voluntary sector. The launch of an EU framework programme for research would also affect higher education bodies.
6. Three big themes were noted in the work programme: enlargement, sustainable development and security.

Action point:

- A more detailed analysis of the implications of the EC work programme would be presented as a paper to note for the next meeting.

15.45 – 15.55

Item 7

Report from Regions with Legislative Power (RegLeg) conference in Florence

Paper: EUR-07-02(p6)

1. The paper outlined the recent activity of the Regions with Legislative Power (RegLeg).
2. The committee had previously considered a declaration from RegLeg on the Convention on the Future of Europe that had not been significantly altered by the signatories to it. It been signed by

the First Minister on behalf of the Welsh Assembly Government at the conference in Florence. The quality of dialogue with the UK government had been helped by that document, and the Secretary of State for Wales had indicated that he was sympathetic to a number of ideas important to Wales as a region and the opportunities for the regions to influence the debate.

3. Taking a multi-track approach to influence the Convention, through the Regions with Legislative Power, the Committee of the Regions, as well as on the UK Government side, was helping to raise the profile of regional issues in individual Member States. Work on the Convention would continue over the next 12 months.
4. It was noted that there was still a lot to be done with regard to the influence of legislative governments. As reported at the last meeting, a speaker from the European Parliament had made it clear to the Committee of the Regions that regions would be treated in the same way regardless of their size, or legislative powers.

15.55 – 16.05

Item 8

Report from the Conference of European Regional Legislative Assemblies

Paper: EUR-07-02(p7)

1. The Presiding Officer had attended the 6th annual conference of the Presidents of the Regions with Legislative Assemblies (CALRE, website: www.calre.be) which met in the Flemish parliament in Belgium. Seventy-four regions in eight member states were represented and met annually in plenary session. A standing committee met during the year to organise the conference. The Presiding Officer would be the UK representative on the standing committee.
2. Scotland and Northern Ireland had previously taken an active part but on this occasion Wales was the only UK body present and the Presiding Officer gave a speech on behalf of Sir David Steel. He had not taken part in discussions on the Brussels declaration on the 2nd day of the conference but the relevant papers were left with the committee to consider. It was not appropriate for the Presiding Officer to sign the joint declarations without referring them to the committee before signing on behalf of the Assembly. A similar approach was being adopted by the Presiding Officer of the Scottish Parliament in presenting papers to its European committee.
3. In dealings with CALRE there were similarities with the equivalent Commonwealth body for Presiding Officers. It was appropriate to take part as it was an opportunity to raise the Welsh Assembly's profile and feed into debate. Other regions see Wales being strongly linked to Europe, with bilingualism a significant factor in that perception. The Assembly's IT developments were also of great interest. There was agreement that it was important for the Assembly to be represented at these meetings.

Action point:

- The committee would consider the joint declarations from the CALRE conference to be signed by the Presiding Officer on behalf of the Welsh Assembly.
- Future papers from CALRE meetings would be sent to the committee by the Presiding Officer

16.05 – 16.15**Item 9****Committee of the Regions (COR) six-monthly report****Paper: EUR-07-02(p8)**

1. Rosemary Butler provided the committee with an update on the work of Committee of the Regions (COR). Since Albert Bore had taken the chair the work had changed considerably, it was more focused and more closely related to the Commission's work programme. Important speakers were coming to the Committee, including six European Commissioners.
2. The schedule of meetings was very busy but it presented important opportunities for building relationships with representatives from other regions. The support of officials in handling the heavy workload and schedule was appreciated.
3. Solidarity had been shown for local councillors from the Basque region who had been receiving death threats and it had been suggested that a future meeting might be held there to show support for democratic institutions.
4. A UK delegation meeting was to be held in Birmingham that would be an opportunity to encourage different political groupings to take a common line on some issues
5. A working group was being set up by European division to cascade COR opinions through the Welsh Assembly Government. Rosemary Butler was working with the Minister of Education and Lifelong Learning and Minister of Culture, Sport and the Welsh Language to ensure discussion of the policy issues raised in COR.
6. Issues under discussion at a recent meeting had been very varied and included drug dependency, improved tobacco control, regulation of e-commerce, Common Agricultural Policy, skills and mobility and a UK document on family reunification that was subject to 32 amendments from the German delegation.
7. It was hoped that although COR had no legislative powers, future reforms of EU institutions might give it the power to require the Commission to come before COR to respond to its opinions.

Action point:

- The committee would be provided with a paper on COR's consideration of the Common Agricultural Policy when that was available.

16.15 – 16.20**Item 10****Reports from Standing Invitees**

1. Glenn Vaughan of WEC said they had entered the final stages of tough negotiations on the future of WEC. There had been significant support from the Welsh Development Agency in the past and this situation would be different in the future, requiring a reassessment of how partners would share this financial burden.
2. Value for money was a key issue and formal agreements were being put in place to ensure there was no duplication of effort. There was agreement between WEC and WLGA on handling environmental issues for . There would also be agreement on rules to ensure quick and effective sharing of intelligence from different representatives in Brussels with officials in Wales.
3. The business plan to be presented at the WEC Board meeting on 5 December was a significant milestone showing how WEC would look and what resources would be available.
4. Glenn Vaughan and Des Clifford were commended for their work on the transition and the WEC staff were also recognised for continuing to deliver a good service in spite of uncertainty.

16.20 – 16.25

Item 11

Minutes of previous meeting

Paper: EUR-06-02(min)

1. The committee agreed the minutes of the last meeting.
2. The committee was advised that two meetings in the Spring Term would be held, on 30 January and 6 March 2003. The 6 March meeting would be during Wales Week in Brussels and it was intended to hold the meeting there to support the event and give the MEPs the opportunity to contribute.

Action point:

- The Committee Secretariat would consult committee members on the viability of a meeting in Brussels with committee members
1. The Chair thanked the committee members and the secretariat and the meeting finished at 16.25pm.