EUROPEAN AFFAIRS COMMITTEE PAPER

Date	17th October 2001
Time	9.00am
Venue	Committee room 3

SUSTAINABLE DEVELOPMENT IN THE EUROPEAN CONTEXT

PURPOSE

1. To provide the Committee with background information on European Union (EU) sustainable development (SD) policies as they relate to Wales, and on opportunities for the Assembly to promote its SD policies through the EU.

SUMMARY/RECOMMENDATIONS

2. The Committee is invited to note the following.

BACKGROUND & *CONSIDERATION*

a) Overall EU SD and Other Over-arching Policies

3.1 This section considers the EU position on SD, on health as a cross-cutting theme within it, and on governance in as far as it relates to SD. It also describes the ENCORE network.

3.2.1 The European Commission issued a consultation paper in late March – with a deadline of 30 April - about what might go into **an EU SD Strategy**, focussing on key challenges and action to address them. The challenges were climate change, transport, public health, natural resources, poverty and social exclusion, and the effects of an ageing population.

3.2.2 The proceedings of our 5 March seminar in Brussels on the role of regions in delivering SD were made available to the Commission. In addition, we contributed to the UK Government's response.

3.2.3 In mid May, the Commission produced its draft strategy. This was much shorter and more focussed than the consultation paper. It outlined:- a vision of a sustainable Europe; arrangements for mainstreaming SD into EU policies, including SD appraisal of all new proposals and review of existing ones; regular reporting on implementation and effectiveness; and subject-specific proposed actions & targets.

3.2.4 This approach was in fact quite like our Scheme. One difference was that no reference was made in the draft strategy to the importance of learning from good practice elsewhere.

3.2.5 Given that the draft was scheduled for discussion at the Environment Council on 7 June, and the Summit on 15-16 June, members states (and other stakeholders) had little time to react to the proposed scheme, and in particular the subject-specific proposed actions & targets.

3.2.6 The Göteburg European Council did not endorse the entire draft EU SD Strategy that was proposed by the Commission. It did agree to add an environmental dimension to the Lisbon strategy for economic and social renewal (confirming a decision taken at the Stockholm council in March). This signals that SD is part of Europe's economic and social renewal, and is seen as presenting economic opportunities. The Council also decided that "the horizontal preparation of the SD Strategy" will be co-ordinated by the General Affairs Council. Other **general points** agreed were as follows:

- Member states that have not already done so are invited to draw up their own SD strategies, with wide consultation;
- EU institutions are invited to improve internal policy co-ordination;
- The Commission will make proposals for ensuring that all major policy proposals include a sustainability impact assessment;
- The Council is invited to pursue integration of the environment into all relevant policy areas ('the Cardiff process') and present the results before the 2002 Spring Council;
- Progress in developing the strategy will be reviewed annually at Spring Council meetings;
- Headline indicators are to be developed in time for the 2002 Spring Council;
- The Commission will report on how environmental technology can promote growth and employment;
- The EU will seek to make SD an objective internationally and seek to achieve a 'global deal' on SD at the 2002 World Summit. No later than January 2002, the Commission will report on how the EU should contribute to global SD.

3.2.7 All the **detailed objectives and measures** proposed by the Commission in the draft strategy will be examined further by the Council:

- Those in respect of poverty and social exclusion and the effects of an ageing population were not dropped, but treated as being covered already by the Lisbon strategy;

- Some of those in the priority areas of climate change, transport, public health and natural resources were singled out "as general guidance for future policy development", including the following:
- Reaffirmation of Kyoto targets;
- Endorsement of objectives in the 6th Environmental Action Programme
- Reaffirmation of the target of supplying 22% of electricity consumption from renewable sources by 2010;
- Inviting action to decouple transport growth from GDP growth;
- Boosting plans for a chemicals policy;
- Urging adoption of the European Food Authority and Food Law Regulation;
- Asking that a European health surveillance and early warning network be considered
- That the Common Agricultural Policy should contribute to SD by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity
- The review of the Common Fisheries Policy in 2002 should address over-fishing and social need
- The Integrated Product Policy should be implemented in conjunction with business
- Biodiversity decline in Europe should be halted by 2010

3.2.8 Some of the Commission's proposals were not endorsed as such, for instance for greenhouse gas reductions after 2020. However, they remain on the Commission's agenda, and are covered by the clause that the Council should examine them further.

3.2.9 One suggestion for the European Parliament rather than the Council was that the Parliament might establish a SD committee.

3.2.10 In summary, the strategy that was agreed picks up the key points from the Commission's draft about integrating SD into EU policies, through sustainability appraisal and review of all major policies and proposals. Further work on appraisal methodology, indicators, global issues and economic benefits of environmental technologies is promised by Spring 2002. There is to be an annual review of progress. Some detailed proposals were endorsed, and others remain on the table.

3.2.11 This reinforces the position we have taken through our Scheme. The principles being applied are similar to ours, and no agreed proposal cuts across our plans. If the commitments

about integration, review and appraisal are carried forward successfully, they could change the legislative and policy context in which the Assembly operates, for instance as regards the CAP.

3.3.1 The Commission's approach to SD, largely accepted by the Council,

makes **health** an explicit part of the strategy. This move is the result of Article 152 of the Treaty (aka The Amsterdam Treaty) which strengthened considerably the health dimension of European Union policy. It comprises:

- A reinforced obligation to ensure a high level of health protection in the definition and implementation of <u>all</u> Community policies and activities;
- Widened scope of action to improve public health and to obviate sources of danger to public health (as well as preventing illness and disease);
- New powers to adopt measures to set high standards of quality and safety including organs and substances of human origin, blood and blood derivatives, and actions within the veterinary field.

3.3.2 As part of the European Community's Health Strategy, a new public health programme is being developed. The proposed programme takes a horizontal and policy-driven approach based of a broad view of public health. The programme, which is intended to underpin and support policy development at Community level, focuses on three strands of action:

(i) Improving health information and knowledge - a comprehensive health information system will be put in place which will

provide policy makers, health professionals and the general public the key health data and information that they need.

(ii) Responding rapidly to health threats - an effective rapid response capability will be put in place to deal with threats to

public health, for example, arising from communicable diseases. The integration of the EU based on the principle of free movement increases the need for vigilance.

(iii) Addressing health determinants - the programme will help to improve the health status of the population and reduce premature deaths in the EU by tackling the underlying causes of ill health, through effective health promotion and disease prevention measures.

3.3.3 This approach has much in common with that of the Assembly, both in terms of the overall commitment to 'better health and well being' and the policies and strategies that stem from it. The Commission is faced with the same task as us - integrating health across all policy

areas, as an element of SD.

3.3.4 The Assembly's development of health impact assesment is attracting considerable interest across Europe as it is seen as a tool that can assist the development of an intersectoral approach that recognises the social, economic and environmental determinants of health. Assembly officials are working closely with Commission officials on the further development of health impact assessment, which features prominently in the Community's new public health programme. The experience gained will inform the Assembly's plans for a more integrated approach to considering the impact(s) of policies and programmes on sustainable development and its component parts, and on the Assembly's other cross-cutting themes.

3.4.1 As a follow up to the **White Paper on Governance**, the European Commission have abolished the European Consultative Forum on the Environment and Sustainable Development. In its place it is now likely that a sustainable development round table will be established, reporting directly to the Commission President.

3.4.2 The Consultative Forum was an informal group established under the Fifth Environmental Action Programme. The 35 members met periodically to consider the environmental impact of EU policy and to consider how more integrated approaches could be adopted. However, the Forum has been criticised by many for its lack of public interface and was not mentioned in the context of the Sixth Environmental Action Programme. The Commission have now ordered its abolition. Their proposals for an EU SD Strategy, agreed at Göteburg, suggest an alternative in the form of a round table reporting to the President of the Commission.

3.4.3 The White Paper on Governance will bring other constitutional changes, with a strengthening of the role of the Committee of the Regions (CoR) and the Economic and Social Committee. This move will give regions far greater say in shaping future EU policy and allow regions to put forward 'own-initiative' opinions and forecasts. The Commission will also be looking at a new concept of 'tripartite contracts' between the EU and individual Member States and their relevant regional or territorial authorities. The President of the Commission has already signalled that a number of pilot contracts in the environment sector could be launched in 2002.

3.4.4 The CoR has also been asked to look at the opportunities for more integrated implementation in particular regions or localities. In particular, CoR will be looking at how EU policies on energy, transport, agriculture and the environment can be delivered in more cohesive and integrated ways.

3.4.5 These changes may offer opportunities for Wales to raise its profile in Europe on a range of issues, particularly in terms of its approach to sustainable development and environmental policies.

3.5.1 In further recognition of the importance of regions, DG Environment recently backed the 5th **Environment Conference of the Regions of Europe (ENCORE)**. This took place in Villach on 27th & 28th September. Representatives from 70 EU regions, 49 Accession Country regions and from 4 other countries were present. (Previous ENCOREs have been held in Brussels (1993), Valencia (1995), Göteburg (1997) and Wexford (1999). The next one is likely to be in Gelderland. The Assembly has been represented at Wexford and Villach.)

3.5.2 To date, ENCORE has focussed on staging conferences and producing declarations. It may now be moving more towards facilitating exchange of good practice, with the Commission's blessing. A particular pre-occupation of the Villach conference was how to assist Accession Countries to meet EU environmental protection requirements.

3.5.3 Our own initiative to establish a Pan-European Laboratory for Sustainable Development (outlined below) will complement not clash with ENCORE.

b) Specific EU actions informed by SD

4.1 Several past and present EU initiatives relate – more or less explicitly – to SD in Wales, though they are not brigaded under the EU SD strategy. Some of these are summarised below.

4.2.1 At the EU level sustainable development is seen as being central to spatial planning. **'The European Spatial Development Perspective (ESDP) - Towards Balanced and Sustainable Development of the Territory of the European Union'** has been drawn up by the Member States in co-operation with the European Commission.

4.2.2 The ESDP is based upon the EU aim of achieving balanced and sustainable development, in particular by strengthening economic and social cohesion. It provides a context for the preparation of spatial plans at other levels of governance within the EU including at the regional and local authority levels.

*4.2.3 The spatial planning concepts addressed by the ESDP will provide a context for the preparation of the **Wales Spatial Plan**. This follows from the commitment in 'Better Wales' to prepare a "spatial framework for planning" by 2003.*

4.2.4 The purpose of the Wales Spatial Plan is to give spatial expression to the Assembly's policies, in particular the SD Scheme. It will:

- *address issues of development and restraint on the broad scale;*
- *be a context for major decisions and for the allocation of resources;*
- *support other Assembly initiatives such as the National Economic Development Strategy, the Transport Framework;*
- *be a context for local planning authority plan-making and decision-making, and;*
- *mesh with EU programmes and initiatives with spatial implications*

*4.2.5 A consultation document on the Wales Spatial Plan – **The Wales Spatial Plan - Pathway to Sustainable Development** has been issued for comment. It covers purposes, possible issues, preparation method, timescale and status. The consultation runs until 14 December. The aim of the consultation exercise is to secure wide awareness and sense of ownership of the evolving plan.*

4.3.1 The **LEADER programme** (more detail of which is given in **Annex 1**) is a Community Initiative for rural development, established in 1991. Though it predates the EU's SD strategy, it has done much to develop good practice in rural SD.

4.3.2 LEADER works mainly through Local Action Groups, linked together in a pan-European good practice network. There are 8 LEADER II Local Action Groups in Wales.

4.3.3 Experience gained through this programme informed the development of the Assembly's SD Scheme, and the networking model adopted has some echoes in our proposal (see below) for a Pan-European Laboratory for SD

4.4.1 Wales will be the recipient of substantial **Structural Fund support** from the European Community during the period 2000-2006 via a number of Programmes including:

- Objective 1 **for West Wales and the Valleys;**
- Objective 2 and Objective 3 **in East Wales**,
- the Rural Development Plan and
- a range of **European Community Initiatives – LEADER+, URBAN2, INTERREG3a and EQUAL.**

4.4.2 The biggest of these is Objective 1, the Single Programming Document (SPD) for which identifies three cross-cutting issues which are to be mainstreamed across the entire programme. These are Equal Opportunities, the Information Society and Environmental Sustainability. The same cross-cutting issues are identified for Objectives 2 and 3.

4.4.3 Structural Fund support provides a huge opportunity to improve the performance of the Welsh economy along SD lines. Its success in doing so can be considered at the mid-

programme review.

4.5.1 To inform the mid-term review of Structural Funds, DG Regio last year announced an **Innovative Actions** grant regime as part of the ERDF programme. This allows applications from regions with Objective 1 or 2 status for projects that are too innovative to receive Objective 1 or 2 funding. It also allows applications for inter-regional networks. Projects and networks can come under any one of three headings:

- regional economies based on knowledge and technological innovation

- e-EuropeRegio: the information society at the service of regional development

- regional identity and sustainable development.

4.5.2 All these headings relate to the approach that the Assembly is taking to SD, but it is under the third heading that applications for projects in Wales and a pan-European inter-regional network have been submitted. This follows from the decision made at Plenary on 16 November 2000 that a bid should be put forward using the Assembly's SD scheme as the basis for application.

*4.5.3 The Assembly has submitted an application to the European Commission for co-financing a **Regional Programme of Innovative Actions (RPIA)** in Wales. Under the programme, there is scope to fund experimental two-year projects which:*

- *use skills, flair, ingenuity and regional identity to promote sustainable development and thus create a sustainable society in Wales;*
- *use innovation and technology to achieve sustainable success in the new knowledge-based economy; and*
- *exploit information and communications technology (ICT) to improve effectiveness and competitiveness and help reduce the demands on natural resources and bridge any 'digital' divides.*

4.5.4 A consultation paper entitled "Towards a Sustainable Wales" was launched on the Assembly's website on 22 January, inviting outline project bids, or comments on the proposed way forward, by 12 March 2001. It was produced following brainstorming sessions amongst some of Wales' leading regional development experts. During the consultation exercise, a very successful workshop was also undertaken with over 80 cross-sectoral participants. The workshop was launched by Sue Essex AM and 27 project outlines were generated as a result.

4.5.5 An independent steering committee - including representatives from the public, private and voluntary sectors – was formed to carefully consider the project proposals against the specific EC criteria for this programme, and in terms of their eligibility for ERDF funding in

general. The committee members have also tried to consider the extent to which the projects submitted had the possibility of providing innovative approaches to the implementation of the Assembly's sustainable development agenda.

4.5.6 The resulting programme that has gone forward from Wales, entitled Towards A Sustainable Knowledge-based region (TASK), is built around four projects that have been refined into a coherent set of actions to create a sustainable knowledge based laboratory in Wales. They are:

- *creation of an observatory of international standing to identify and evaluate best practice in the approaches to creating a sustainable knowledge based region;*
- *identification and public ownership of technologies for a sustainable knowledge based future;*
- *development of a highly accessible, comprehensive and integrated geographical information system to aid decision making and planning at both the regional and local levels, taking into account the sustainable knowledge based ambitions for the region; and*
- *using University know-how both to develop a best practice manual to guide the production of sustainability strategies in SMEs and to act as a test bed for new sustainability indicators.*

4.5.7 If approved, it is expected that the project outputs will be disseminated throughout Wales on a continuous basis and will help to inform the mid-term review of the Objective 1 programme. The Welsh RPIA is fully compatible with the EC policies covering research, the information society, enterprise, the environment, rural development, equal opportunities and competitiveness, as well as being in accord with the declarations from the Cardiff, Lisbon, Nice and Göteburg EC Summits.

4.5.8 The complete text of the application, including full project details, will be made available shortly on the Assembly's website, and it is hoped that the EC will approve this €4 million programme in time for a launch before the end of 2001.

*4.5.9 The Assembly has also submitted an application to the Commission for support for a network that we are calling a **Pan-European Laboratory for Sustainable Development**. This is linked with the proposal to create an observatory within Wales as part of the RPIA. The intention is that similar observatories within other regions of Europe would be linked together so that the potential of innovative approaches piloted in any partner region could be assessed in terms of their replicability throughout the network. This would enhance the value of the individual projects for the mid-term review. It would also mean that all partner regions would have access to 'cutting-edge' SD expertise.*

4.5.10 The network would also help partner regions to learn from each other's existing good

practice. As an early example of this, the Environment Minister's recent visit to Göteburg to study their waste management practices was facilitated through contacts officials have made through the Wales European Centre in the course of formulating the network application.

11. *Our partner regions in submitting the application were:*

- *Västra Götalands (the Göteburg region)*
- *Västmanlands (near Stockholm)*
- *Emilia Romagna*
- *Shannon*
- *Limburg*

4.5.12 We have since received confirmation that the following are also interested in participating:

- *Sardinia*
- *Thessalia*
- *Acquitaine*

4.5.13 The Innovative Actions regime will not directly fund network participation by Accession Countries, but there is scope for the following to participate on a 'shadow' basis:

- *Estonia (which of course is a country, not a region, but which like Wales has a constitutional SD duty)*
- *Silesia*
- *Northern Hungary*
- *Western Hungary*

4.5.14 We hope to hear before the end of this year whether the proposal as submitted will be funded. We do not believe there to be many competing proposals. Even if this application is not funded, we should be able to resubmit an application next year.

4.5.15 Being lead region in this proposal should raise our profile with the Commission whether the application is approved this year or not.

4.6.1 The **EC Landfill Directive** places a range of requirements on member states. These include the classification of landfill sites into different categories: "inert", "non-hazardous" and "hazardous". It prevents the landfilling of certain wastes, e.g. tyres, and requires other waste to be treated before it can be landfilled, etc. These changes will substantially effect the management of waste in Wales where currently 95% of municipal waste is sent to landfill.

Smaller proportions of industrial and commercial waste are landfilled but these types of waste are likely to require more treatment or separation to meet the requirements of the Directive. Environment Agency Wales is the regulatory authority for waste management in Wales and will be responsible for ensuring that the waste management industry meets these requirements of the Directive. The Agency reports to the National Assembly. Steps have been taken to ensure that landfill site operators are aware of their responsibilities.

4.6.2 The Landfill Directive contains specific limitations on the amount of Biodegradable Municipal Waste (BMW) which may be landfilled. BMW is typically 60% of total municipal waste. Based on 1995 municipal waste arisings the Directive will limit the total amount of BMW which may be landfilled to:

- 75% of the 1995 level of BMW by 2010
- 50% of the 1995 level of BMW by 2013
- 35% of the 1995 level of BMW by 2020

4.6.3 The National Assembly has consulted (ending on 5 October) on proposals for a new waste strategy for Wales which will substantially increase the amount of municipal waste that is recycled or composted in stages as part of the Policy Agreements with local authorities:

- *15% combined recycling and composting by 2003-04, with a minimum of 5% for each*
- *25% combined recycling and composting by 2006-07, with a minimum of 10% for each*
- *40% combined recycling and composting by 2009-10, with a minimum of 15% for each*

4.6.4 Returns from local authorities indicate that the vast majority intend to achieve or exceed the first stage targets in 2003-04.

4.6.5 By requiring a minimum level of composting, recycling a large proportion of paper waste, and emphasising the importance of waste minimisation measures, the Assembly expects to be able to achieve the 2010 Landfill Directive target largely without recourse to extensive energy from waste plants. The later Directive targets may require some diversion of waste for energy recovery. However decisions on this will be for local authorities to take after consultation with their local communities.

4.6.6 By deciding to adopt a new waste strategy for Wales, to replace the current joint strategy with England, the Assembly has taken responsibility for ensuring that Wales will meet its legal obligations under the various aspects of EC legislation including the Landfill Directive and the Waste Framework Directive.

4.6.7 Early indications are that landfill accounts for a large proportion of Wales' Ecological Footprint, so the waste strategy should also serve to reduce our Ecological Footprint significantly.

4.7.1 The **Strategic Environmental Assessment (SEA) Directive** (Directive 2001/42/Ec On The Assessment Of The Effects Of Certain Plans And Programmes On The Environment) was adopted by the European Parliament on 31 May 2001 and by the European Council on 5 June 2001. It was published on 21 July 2001, and Member States have three years from that date to implement it in national law.

4.7.2 The Directive will require a formal environmental assessment of certain plans and programmes which are likely to have significant effects on the environment. Authorities which prepare and/or adopt a plan or programme that is subject to the Directive will have to prepare a report on its probable significant environmental effects, consult environmental authorities and the public, and take the results into account. Basic procedural and technical requirements are set out in the Directive, which Member States can implement within their existing systems.

4.7.3 Environmental assessment will be mandatory for:

- plans and programmes which are prepared for agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications, tourism, town and country planning, or land use and which set the framework for future development consent for projects listed in the Directive on Environmental Impact Assessment (85/337/EEC amended by 97/11/EC); and

- plans and programmes requiring assessment under the Directive on Habitats (92/43/ EEC).

4.7.4 Outside this core scope, assessment will be required for any plans and programmes which set the framework for development consent of projects (not limited to those listed in the EIA Directive) and which are determined by screening to be likely to have significant environmental effects. Minor modifications to plans and programmes, and those for small areas at local level, will be subject to assessment only where they are likely to have significant environmental effects. The Directive allows decisions on whether assessments are needed in these cases to be made either on a case-by-case basis or by categories of plan or programme.

4.7.5 The Directive will also require monitoring of the implementation of plans and programmes to identify unforeseen effects and to enable remedial action to be taken.

4.7.6 Plans and programmes for national defence, civil emergencies, finance and budgets are excluded from the Directive, and policies are not covered.

4.7.7 The Directive will apply mainly to plans and programmes whose preparation has not

formally begun at the date on which it is brought into force in the Member State concerned, but it will also cover those which have not been adopted two years after that date.

4.7.8 In respect of plans and programmes to which it applies, the requirements of the SEA Directive will need to be factored into work on appraisal tools, alongside other requirements as applicable (regulatory impact assessment, equality-proofing, etc.) Since the Directive has procedural as well as assessment requirements, it will need to be reflected also in work on policy development and management.

c) Other Opportunities for NAW to use the EU

5.1 The Assembly has been able to use European mechanisms in respect of genetically modified (GM) organisms, and European Commission personnel in respect of business and the environment.

5.2.1 The commercialisation of **GM crops** presents a major challenge to the aim of sustainable development in agriculture. Accidental cross pollination or contamination with GM crops could render the organic certification of farms invalid. There are also potential problems for conventional farms if the level of GM contamination were to exceed permitted thresholds.

5.2.2 This basic incompatibility between the EU's organic farming and GM crop frameworks was the basis of the Assembly's action to enforce separation distances between GM and non-GM crops. A prohibition notice, setting statutory separation distances, was issued on 15 May. This triggered a notification to Europe, copied to all Member States, under Article 16 of European Directive 90/220/EEC.

5.2.3 As a result the issue of possible contamination of organic and conventional crops is now being raised at European level where the Assembly can press for a fully precautionary approach reflecting concerns over GM crops and their possible detrimental impact on conventional and organic farming in Wales.

5.3.1 The high-profile **Business and Environment Conference Wales 2001**, which aimed to help establish Wales as a world-class centre for sustainable business took place on 9th and 10th October. It had as one of its speakers Rupert Willis from the European Commission's SD unit.

5.3.2 The ability to attract Commission speakers for events in Wales reflects and reinforces our profile in terms of SD and our success in engaging business on issues of environmental management.

d) What comes next

6.1 Developments that are interesting from an SD perspective in respect of information and communications technology (ICT), EU enlargement, and the Common Agricultural policy (CAP) are on the horizon.

6.2.1 **Digital Europe** is a flagship pan-European study of ICTs, e-business

and sustainable development for the European Commission under the

Information Society Technologies Programme. It is to be led by Forum for the

Future in collaboration with the Wuppertal Institute in Germany and the

Fondazione Eni Enrico Mattei in Italy. The project is actively supported by

the European Commission and will involve a consortium of leading corporate

and regional partners and key actors from member state governments.

6.2.2 We have recently entered into a three-year partnership with Forum for the Future, who regard as innovative the Assembly's plans for MERLIN, the replacement for OSIRIS/ISIS.

6.3.1 The Committee has already looked at establishing an **EU Enlargement** Working Group (EUR 04-01(p2) dealt with its terms of reference).

6.3.2 The task for Accession Countries of meeting EU environmental protection requirements will be very challenging, and the cost correspondingly large. It may be that Wales will have valuable experience to offer.

6.4.1 Enlargement could force the pace of **reform of the Common Agricultural Policy**. In addition, the Göteburg European Council agreed "as general guidance for future policy development" that the Common Agricultural Policy should contribute to SD by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity.

6.4.2 The Assembly is already active in these areas, and might be able to take advantage of reform of this sort.

COMPLIANCE

7. Standing Order 15.2 requires the Committee to "monitor the general impact and consequences for Wales of policies being pursued by institutions of the EU…".

CROSS-CUTTING THEMES

8. It is implicit that the Assembly's stance in respect of EU SD initiatives should take social inclusion and equality of opportunity into account.

ACTION FOR THE COMMITTEE

9. To note the above

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ANNEX 1

LEADER Programmes I & II

1. **LEADER (Liaisons Entre Actions de Développment de l'Economie Rurale)** is the Community Initiative for rural development. It was established by the European Commission in 1991, since which time – though it obviously predates the EU's SD strategy – it has done much to develop good practice in rural SD. The emphasis of the initiative was on developing new solutions to problems of rural areas lagging behind in their development (Objective 1 regions under the EU Structural Funds) and lacking diversification (Objective 5b). In particular, it sought to identify new directions in policy for the restructuring and development of rural areas.

2. Key characteristics of LEADER include:

- the bottom-up approach involving the mobilisation of local resources and the creation of local partnership-based bodies to develop and implement programmes;

- the implementation of integrated approaches bringing together different policy and sectoral fields (e.g. small business development, development of sectors in the rural economy, training etc.);
- a substantial degree of flexibility and local autonomy in the management of Structural Funding and improved responsiveness of development actions to local conditions and needs;
- mechanisms to introduce new ideas and increase innovation in local programmes by drawing on the experience of other areas in the EU.

3. LEADER I (1991-93) supported a network of 217 Local Action Groups throughout the EU, and was regarded as one of the most successful of the Community Initiatives. LEADER II (1994-99) was launched in June 1994, building on the experience of LEADER I. It applied to rural areas lagging behind in their development (Objective 1), fragile rural areas lacking diversification (Objective 5b) and sparsely populated areas (Objective 6). It involves EU contributions from all three Structural Funds (the EAGGF, ERDF and ESF) and supports over 900 Local Action Groups and Other Collective Bodies throughout the Member States of the EU.

4. The aim of LEADER II is:

- to stimulate innovative measures by organisations engaged in rural activity, and develop the potential of rural areas through innovative and demonstration projects;
- to make known the results of these "experiments" throughout the EU and to assist rural operators throughout the Member States to learn from these experiences; and
- to work jointly on some projects in the framework of transnational cooperation between local rural operators.

5. LEADER II works mainly through Local Action Groups - partnership bodies responsible for the implementation of LEADER in the local area. Eligible measures include:

- "Acquiring Skills";
- "Rural Innovation Programmes";
- "Transnational Cooperation";
- "Networking".

6. The various elements of LEADER II are organised around a European rural development network of supported organisations. This provides the framework for the circulation of information on rural development policies and exchange of experience amongst organisations involved in rural development. The network is centred on the work of the 'European Observatory of Rural Innovation and Development'. In addition, National Networking Units have been established in Member States as a link between the European Observatory and organisations involved in rural development. There is a UK LEADER II Network, managed in association with: Action with Communities in Rural England, Rural Forum Scotland, Rural

Community Network - Northern Ireland and the Welsh Rural Forum (WRF).

7. There are five LEADER II Programmes for the UK – one for England; two for Scotland; one for Northern Ireland; and one for Wales (Objective 5b). Overall, 69 groups in the UK are supported, including 8 Local Action Groups in Wales:

- Menter Powys
- Antur Teifi
- Porthmadog
- SPARC (South Pembrokeshire)

- ACTT (rural Carmarthenshire)
- Cadwyn (rural North East Wales)
- Menter Preseli
- Menter Môn

8. Details of activities can be found at http://www.ukleader.org.uk/what_is_leader/index.htm