

# European & External Affairs Committee

## EUR2 04-05 (p1)

Date:12 May 2005

Time:09.00am

Venue:National Assembly for Wales, Cardiff Bay

Title:Minister's Report

### Purpose

1. To provide an update on a range of issues arising since the last meeting of the Committee.

### Recommendation

2. Members to note the content of the report.

### Background

3. The Committee last met on 14 April. This paper provides an update.

### First Minister's International Activities

The schedule of Ministerial International events is at Annex A.

28 - 29 March International Gathering for Reconstruction Support Appreciation, Kobe, Japan - I was invited but unable to attend the International Gathering and was represented at official level by Philip Bird who was involved in the arrangements for the support provided to Kobe in 1995. A report of the event is attached at Annex B.

27 April Lunch with Pakistani High Commissioner - I met Her Excellency Dr Maleeha Lodhi, Pakistani High Commissioner to the UK and members of the Pakistani Community during a lunch. This was to celebrate and recognise the important role played by members of the Pakistani community in the British armed forces in both World Wars and afterwards and in Welsh society more generally.

28 April Meeting with HE Mr Akin Alptuna, Turkish Ambassador - I met with HE Mr Akin Alptuna, Turkish Ambassador to the UK. This was a courtesey call during his first visit to Wales.

10 May I attended a Europe Day Celebration at the European Commission Office in Wales.

Other Issues

13 April: Bulgaria and Romania

On April 13, the European Parliament voted to accept Bulgaria and Romania as member states of the European Union in January 2007. The vote was followed by the signing of a joint Accession Treaty on the 25 April in Luxembourg. The signing will not absolutely guarantee the countries membership in 2007. If either country fails to meet the agreed criteria, then accession could be postponed until 2008.

19 April: European Constitution

Parliament in Greece overwhelmingly ratified the European Constitution. The document was supported by 268 votes with 17 against and 15 deciding to abstain. The vote makes Greece the sixth country to back the constitution. The European Constitution was signed on 29 October 2004, but before it can be adopted it must be ratified by all 25 member states, either through a referendum or by vote in the national parliament.

The vote comes ahead of a crucial referendum on 29 May in France.

Retaining expertise gained from operating Structural Funds

At the last committee meeting on 14 April members requested a note on this issue. This is at Annex C.

Rhodri Morgan AM  
First Minister

EEAC

FIRST MINISTER’S REPORT – ANNEX A

Date	Assembly Minister / Official / Division	Event	Objectives	Outcomes

13 <sup>th</sup> April 2005	Minister for Finance, Local Government and Public Services	Hosted lunch for Deputy High Commissioner of Canada	M Saint-Jacques was on a familiarisation visit to Cardiff and requested a meeting to continue the informal discussions held at the FM's St David's Day Reception.	Reinforced the profile of Wales with the Deputy High Commissioner.
27 April 2005	First Minister	Lunch with the Pakistani High Commissioner & members of the Pakistani community	To show the First Minister's support and appreciation for the role played by the Pakistani community	Recognition of the contribution made by the Pakistani community to society.
28 April 2005	First Minister	Meeting with Ambassador HE Akin Alptuna of Turkey	Ambassador's first visit to Wales so courtesy call on the First Minister	Raise the profile of Wales with the Turkish Ambassador.
8-15 May	Welsh Local Government Association (WLGA)	Visit to Wales by officials and politicians from Silesian Municipalities	To forge potential links between Welsh and Silesian local government within the scope of the MOU that the WLGA signed with its counterpart in Silesia (SUMD) in August 2004.	The sharing and identification of common problems and the scope for collaborative working in the future.

## Annex B EUR(2) 04-05 (p1)

International Gathering for Reconstruction Support Appreciation, Kobe, Japan

The Great Hanshin - Awaji Earthquake registered a seismic magnitude of 7.3 when it struck the southern part of Hyogo Prefecture at 5.46 on 17<sup>th</sup> January 1995. More than 6,400 people died and 40,000 were

injured. Almost 450,000 homes sustained significant damage as did a further 240,000 buildings. Electricity, gas, water, expressways, railroads and harbours were all paralysed. The total damage was valued at approximately 10 trillion yen.

In order to express appreciation for the support extended from all around the world following the earthquake, the International Gathering for Reconstruction Support Appreciation was held in Kobe City, Hyogo Prefecture on the milestone 10<sup>th</sup> anniversary. Hyogo is located in the Kansai region, which is the geographical centre of Japan and once served as the capital region of the country. Participants were present from a number of countries including, Australia, United States of America, Switzerland, Germany, France, Poland, China and Brazil. I was the only representative from the United Kingdom.

Discussions were held in four forums; "global linkage, disaster management", the forum on "mutual support activities during times of disaster", the forum on "effective international disaster rescue" and the forum on "earthquakes and young people". Each forum reviewed the international rescue efforts and the various types of support offered following the earthquake, many ideas were proposed for the shape of international rescue and support activities in the future. The individual forums were followed by a summary session at which the results of each forum were presented and a joint communiqué issued.

I participated in the forum on earthquakes and young people. During the aftermath of the earthquake, Hyogo Prefecture received offers from various public entities and groups inviting affected children and young people overseas. In total 459 actually went abroad, among them were 20 students who came to Wales in the autumn of 1995.

Following the earthquake it was natural and inevitable that given Wales' strong ties with Japan that we would extend the hand of friendship and do all that we could to assist. I had been in Japan the previous March, shortly after the earthquake when it was decided that because of the damage sustained to the region's infrastructure and in particular the damage to education institutions, a practical way of helping would be to offer places at colleges and universities in Wales. The places were funded for one academic year and by commencing in the autumn the students were able to remain with their families in the immediate aftermath of the earthquake. The students, either victims of the earthquake or enrolled in universities in the disaster area participated in a wide-range of undergraduate and post-graduate programmes across Wales, at Cardiff, Swansea, Newport and Wrexham. In addition to the payment of tuition fees, a living allowance was provided together with return travel to and from Japan.

Three of the students who were invited to represent the group at the forum (the aim of which was to exchange opinions and ideas on multicultural exchange) spoke eloquently and emotionally of their time in Wales and the lasting effect of the experience on their lives. It was extremely moving and Wales could not wish for better Ambassadors.

Outside of the forum I was able to attend a study tour to see first hand the reconstruction that has taken place as well as legacies of the devastation that are preserved as permanent reminders of the events in 1995.

While the physical reconstruction process is almost complete, the Prefecture continues to advance programmes to help victims reconstruct their lives and is dedicated to sharing the lessons learned with the rest of the world. This commitment was recently tested following the tsunami disaster caused by the earthquake off the coast of Sumatra in December 2004.

At the close of the programme I had a private meeting with Toshizo Ido, Governor of Hyogo Prefecture who presented me with a Certificate of Appreciation to the Welsh Assembly Government.

The costs of participating in the event were met by the Hyogo Prefecture Government.

**Philip Bird**  
**EEAD**  
**April 2005**

## **Annex C**

### **Retaining expertise gained from operating Structural Funds**

The current Structural Funds programmes provide just over £1.5 billion, which together with match funding from the public, private and voluntary sectors is worth over £3.2 billion to Wales. The programmes run from 2000 – 2006 although expenditure can continue until mid-2008. West Wales and the Valleys has an Objective 1 programme, the largest single such programme in the UK, worth just over £1.3 billion, and other areas of Wales benefit from Objective 2 and Objective 3 programmes, worth £89 million and £96 million respectively.

Structural Funding is additional to ongoing public and private expenditure. Project applicants are asked as part of the application process what their arrangements are for sustainability. Each programme has its own application form, guidance notes and process, but each project applicant is made aware that they must demonstrate the sustainability of the project after grant assistance has ceased, (if it is not for a specific time limited project such as research) and is asked for details of an exit or continuation strategy.

Over the current programme period Wales has seen significant growth and the labour market has performed well above the rest of the UK. The labour market statistics for the 12 months to Feb 2005 show:

Employment levels in West Wales and the Valleys have risen by 57,000, or 7.7% since 1999, with the employment rate increasing by 3.8 percentage points over the same period;

Employment levels in East Wales have risen by 37,000 or 7.7% since 1999, with the employment rate increasing by 2.0 percentage points over the same period;

This compares favourably with the UK as a whole, where employment levels have increased by only 4.1% and employment rates by only 0.7 percentage points.

Economic inactivity levels for Wales have fallen by of 3.2% since 1999, whilst they have risen by 3.5% across the UK as a whole.

The impact of Structural Funds has been significant with projects reporting 104,788 new jobs created or safeguarded as at end of March 2005.

Negotiations are proceeding within the European Council and the EU financial perspective and the Structural and Cohesion Funds. Members of the Committee have been briefed on these separately and know that the scope and size of any future programmes hinges on the outcome of these complex negotiations.

If parts of Wales are eligible for future programmes we will maximise the effectiveness of them by concentrating on what has worked well and on my Government's strategic priorities. We are learning the lessons of the current programmes and have an extensive set of evaluations at project and programme level.

A new series of Mid Term Evaluation updates have been commissioned by WEFO which will provide key pointers for planning the next round of programmes, and for the ex-post evaluation of the current programmes. The evaluations will look at areas such as the impact of programmes, quality of jobs created, the legacy of Objective 1 and the effectiveness in reducing economic inactivity. Contractors were appointed in January 2005 and are currently carrying out fieldwork. The reports will be presented to the Commission and published at the end of 2005.

Contracts to support local partnerships for current programmes will continue to 2008 to enable projects to be supported to their conclusion. There will be also be a planned process of hand over from current programmes to any new set of Structural Fund programmes (should there be any).

My officials are also engaging with stakeholders through the External Stakeholder group chaired by David Pritchard, and this process will continue to inform the development of any future programmes.

**Rhodri Morgan AM**  
**First Minister**