

European & External Affairs Committee

EUR(2) 08-06 (p2)

Date: 25 October 2006

Time: 09.00 - 12.25

Venue: Committee Room 1&2, Senedd

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. That members note the content of the report.

Background

3. The Committee last met on 27 September 2006. This paper provides an update.

First Minister's International Activities

4 October 2006 Launch of the Welsh International Sustainable Development Framework - Wales for Africa

I attended the launch of the Welsh International Sustainable Development Framework - Wales for Africa event, where those present included Hilary Benn, the Secretary of State for International Development, and Kandeh Yumkella, the Director General of the United Nations Industrial Development Organisation (UNIDO).

5 October 2006 Visit of the Deputy Foreign Minister of the Czech Republic, Mr Pavel Svoboda and His Excellency Jan Winkler, Ambassador for the Czech Republic in the UK

I met the Deputy Foreign Minister of the Czech Republic, Mr Pavel Svoboda and His Excellency, Jan Winkler, the Czech Republic Ambassador to the UK, prior to a reception, hosted by the Ambassador in the Senedd building to mark the opening of a Czech Republic Consular office in Cardiff. The office will be staffed by Mr Peter Ferda who was recently appointed Honorary Consul to the Czech Republic in Wales.

12 October 2006 Visit of João Roberto, Honorary Consul to Cape Verde in the UK and members of the Cape Verde Society

I met Mr João Roberto, Honorary Consul to Cape Verde in the UK and members of the Cape Verde Society, to explore the possibilities of establishing tourism, cultural and diplomatic links between Cape Verde and Wales in the light of our shared history. A member of Soroptomist International, which provides a small educational trust on the island of Sao Vicente to enable a limited number of female students to attend university, also attended.

20 October 2006 Wales Forum on European Affairs

I am scheduled to host the fifth meeting of the Wales Forum on European Affairs on the subject of Wales: The Role of the Regions and Localities in Europe" at the ECM2 offices in Margam. The day will be chaired by Des Clifford, and key speakers include Councillor W J Williams (Committee of the Regions Member for the Welsh Local Government Association), Eluned Morgan MEP, Dr Kurt Gaissert (Baden-Württemberg's EU office) and Andy Klom (Head of the European Commission Office in Wales).

23 October 2006 Visit of Peter Mandelson, European Commissioner for External Trade

I am scheduled to meet Peter Mandelson, European Commissioner for External Trade during his one-day visit to Wales. Topics for discussion include international trade, globalisation, the Doha Development Agenda and the future direction of the European Union.

Other Issues

Joint Ministerial Council (Europe)

JMC(E) met on Tuesday 10 October. I was unable to attend but Des Clifford did so and will provide a report at a later date.

Structural Funds

The government is in the final stages of agreeing the UK's National Strategic Reference Framework (NSRF), the high-level document that will guide the implementation of Structural Funds across the UK. The NSRF will be tabled in parliament and will also contain the allocations for the Regional Competitiveness and Employment programmes.

Review of UK Assisted Areas

The UK Government published its findings to the Assisted Areas Review on 10th October 2006. The final draft of the UK Assisted Areas map has now been sent to the European Commission for approval. It is expected that the approval process will take until early December. The new map comes into force on the 1 January 2007.

A range of stakeholders in Wales responded to the recent DTI consultation upon the draft map and the map for East Wales was subsequently modified to take account of the views expressed. The proposed Assisted Areas map for Wales is at Annex 1.

Against the background of a sizeable reduction in the population coverage available to the UK, the proposed map represents a particularly good outcome for Wales. The distribution of proposed Article 87(3)c areas in east Wales is such that there has been no reduction in the population cover for Wales.

There has however been a need to comply with the European Commission's new eligibility criteria and this, together with the need for areas to pass through the UK eligibility filter mechanism, devised by the DTI, has forced a realignment of Article 87(3)c coverage in east Wales. The resultant map therefore constitutes a compromise, with a number of areas that currently benefit from coverage having been lost from the map. However, the map does afford coverage for most of the strategically important locations in East Wales.

Enlargement – up date

The accession process with Bulgaria and Romania is approaching the end with the likely accession of both countries on 1 January 2007. The EU officially launched accession negotiations with Croatia and Turkey at the General Affairs Council in Luxembourg on 3 October 2005 and in December 2005, the General Council decided to grant candidate country status to the former Yugoslav Republic of Macedonia. All the Western Balkan countries are potential candidates.

Bulgaria and Romania

In December 2004, the European Commission formally closed accession negotiations with Bulgaria and Romania. Subsequently on 25 April 2005, Bulgaria and Romania signed the Accession Treaty. The European Commission issued its final monitoring report on Romania and Bulgaria's preparations for membership on 26 September 2006. The Commission recommends accession on 1 January 2007, (subject to ratification procedures being completed by Member States). This will complete the 2004 accession wave.

The Commission report sets out certain actions following accession to:- a) protect the internal market (on agriculture issues, and for Bulgaria, aviation security), and b) ensure continued reporting on certain areas of Justice and Home Affairs (organised crime, corruption and functioning of the judiciary), through a post accession monitoring mechanism.

The UK government intends to make use of the transitional measures in the Accession Treaty which allows the restriction of Romanian and Bulgarian nationals' access to the UK labour market. This means that the UK will not extend the Worker Registration Scheme in place for A8 nationals to Bulgaria and Romania on accession.

Croatia

Croatia opened negotiations to join the EU on 3 October 2005, after it was judged to be co-operating

fully with the International Criminal Tribunal for the Former Yugoslavia (ICTY). On 8 December, the Tribunal's last remaining Croatian indictee, Ante Gotovina was arrested and subsequently transferred to The Hague for trial on charges of crimes against humanity. The Commission will continue to screen their legislation for compatibility with the EU's *acquis communautaire* (entire European legislation) and an annual report is scheduled for release in the autumn.

Turkey

Turkey opened negotiations with the EU on the same day as Croatia. Accession negotiations are continuing and as with Croatia an annual progress report is due in the autumn.

Former Yugoslav Republic of Macedonia and Western Balkans

Macedonia gained candidate status at the December 2005, European Council. Negotiations have not yet started. Other states in the Western Balkans (Serbia, Montenegro, Bosnia and Herzegovina and Albania) are also potential future EU candidates. To date, none of these countries have submitted applications for candidate status. However, Serbia and Montenegro, and Bosnia and Herzegovina, opened negotiations on Stabilisation and Association Agreements. In the light of the referendum in Montenegro and declaration of independence, the Commission announced its intention to submit to the Council, a proposal for a new Stabilisation and Association Agreement negotiating mandate for talks with the Republic of Montenegro. The Stabilisation and Association Process is designed to help countries of the Western Balkans make progress towards meeting EU standards.

Action Point Arising From a Previous Meeting

At the Committee's meeting held on 12 July 2006, the Minister for Education, Lifelong Learning and Skills, agreed to provide information on the number of students currently undertaking the Welsh Baccalaureate.

In June 2006, 3332 post-16 students were reported as registered by Welsh Bac pilot centres at Intermediate and Advanced Levels. The centres estimate that 5604 students will register for the Advanced and Intermediate post-16 Welsh Bac in September 2006.

In addition, from September 2006, the pilot has been extended to include a Foundation Level Welsh Bac and a pre-16 pilot of the Intermediate level. Centres estimate that 1348 students will be registered in September 2006, for this extension to the pilot. September estimates will be confirmed to the WJEC in late October.

European News

Swedish Elections - a closely run Swedish election has resulted in victory for the opposition bloc led by Fredrik Reinfeldt. The result ends 12 years of rule by the Social Democrats and means the resignation of Prime Minister Goran Persson.

Austrian Elections – the opposition Social Democrats have won a surprise victory in the recent elections, defeating Chancellor Wolfgang Schuessel's People's party. Over six million Austrian voters were eligible to vote for the 183-seat parliament. It is anticipated that there will now be negotiations to form a coalition government, with Alfred Gusenbauer of the Social Democrats likely to become the new Chancellor.

EU Science funding – the European Council has reached a common position on the 7th Framework Programme which is a £34bn plan aimed at stemming the number of European researchers leaving science. The Programme will now be considered by the European Parliament, with the intention that it begins by January 2007.

Czech government – the Czech minority government has lost a vote of confidence and will now have to resign. It had been in office for only 30 days. The Czech Republic has seen political stalemate since elections in June left parliament split almost evenly between left and right political parties.

Turkey – the European Parliament on 27 September, passed a non-binding report highly critical of Turkey's progress towards joining the EU. The report criticised parts of the Turkish penal code which have led to the trials of writers on charges of "denigrating Turkishness" but a clause calling for the Armenian genocide to be recognised as a precondition for membership, was dropped. The MEPs also called on Turkey to recognise the Republic of Cyprus and lift its embargo on Cypriot ships and planes. The report was adopted by 429 votes in favour, to 71 against with 125 abstentions.

EU tariffs on leather shoe imports – imports of leather shoes from China and Vietnam will continue to face punitive tariffs for another 2 years. Imports from China will face tariffs of 16.5%, and imports from Vietnam will face a 10% levy. The measures have been taken as the quantity of shoes imported from China and Vietnam has risen dramatically over the past five years amid claims from European manufacturers that rivals in China and Vietnam receive government subsidies which enable them to sell shoes abroad for less than the cost of making them.

Eurozone interest rates - interest rates across the eurozone have risen again by a quarter point to 3.25% as the European Central Bank (ECB) moves to keep inflation in check. Rates have been raised five times since December 2005 to keep pace with the improvement of several of the largest economies in Europe.

EU trade policy – a series of free trade agreements is being sought by the EU with fast-growing Asian countries in an attempt to boost European competitiveness by improving access to expanding lucrative markets. Following the robust performance of the US economy and the growth of China and India, the European Commission aims to put improved competitiveness and job creation at the heart of its trade policy.

Latvian Elections – Latvia's governing coalition has become the first administration to win re-election since it became independent from the Soviet Union in 1991. The three-party governing bloc, led by Prime Minister Aigars Kalvitis, won 51 of the 100 seats in Parliament. The elections were the first since Latvia joined the European Union, and Nato, two years ago.

EEAC First Minister's Report

Date	Assembly Minister/ Official/ Division	Event	Objectives	Outcomes
25 September 2006	Minister for Assembly Business, Equalities and Children	Meeting with Raun Kaufman, international speaker on the treatment of autism.	Information gathering/ courtesy meeting. Mr Kaufman is currently on a lecture tour of the UK, talking about the methods of education that were employed during his upbringing, and which have enabled him to overcome many of the limitations caused by autism.	Mr Kaufman shared his experience of overcoming autism.
4 October 2006	First Minister	Wales for Africa: Launch of Welsh International Sustainable Development Framework .	To launch the Framework and celebrate the contribution Wales is already making to International Development and Disaster Relief.	Successful event covered by media. Links between Welsh Assembly Government and the Department for International Development strengthened. MOU between University of Wales, Aberystwyth and UNIDO signed at the event.

5 October 2006	First Minister	Visit of the Deputy Foreign Minister of the Czech Republic Mr Pavel Svoboda and His Excellency Jan Winkler, the Czech Republic Ambassador to the UK.	To meet the Czech Deputy Foreign Minister and the Ambassador to the UK, on the occasion of the opening of a Czech consular office in Cardiff.	The opening of the new Consular Office received wide coverage in the local press and was well attended. The meeting provided an opportunity to welcome Mr Svoboda to Wales and to discuss co-operation between the Czech Republic and Wales.
6 October 2006	Minister for Environment, Planning and Countryside, Norma Barry - FMDD	Agri Food Fair, Montpellier, France	<p>To meet with the Director of the research centre and also observe the facilities that are based on innovative approaches to agri-food development.</p> <p>To witness successful models, as this can help build upon the foundations and further develop the existing agri-food networks in Wales.</p> <p>To highlight to the opportunity for Wales to try and establish European and International benchmarks in agri-food excellence. This, in turn, would offer the strategic co-ordination that is required for a dynamic market environment and also help to develop indigenous business and function as a portal for inward investment within Wales, the UK and beyond.</p>	The objectives, set out in detail, were all achieved

12 October 2006	First Minister	Meeting with representatives of the Cape Verde Society & João Roberto, Honorary Consul	To discuss the possibilities of establishing links between Wales and Cape Verde in view of our historical association.	Various suggestions for cultural, educational and tourism links were made. Officials will meet again with the Society to explore the feasibility of these suggestions.
19 & 20 October 2006	Minister for Education Lifelong Learning and Skills	EARLALL Board Meeting and EARLALL General Assembly	The Minister will be attending both meetings in her capacity as Vice President of EARLALL. Membership of EARLALL provides a valuable opportunity for European regions to work together on strategies and programmes for lifelong learning. Wales will contribute two papers to this meeting, one updating members on key EU policy developments aimed at influencing future priorities and activity of the Association, and one detailing Entrepreneurship activity in Wales. There will also be presentations by a Commission official	

			regarding the new lifelong learning programmes to aid members understanding of and ultimate engagement in the programmes. The Association will also be seeking to progress work aimed at increasing the mobility of learners and practitioners of EARLALL regions.
20 October 2006	First Minister	Wales Forum on European Affairs, Margam, South Wales	To discuss "Wales: The Role of the Regions and Localities in Europe"
23 October 2006	First Minister	Meeting with Peter Mandelson, European Commissioner for External Trade	To discuss, during his one-day visit to Wales, international trade, globalisation, the Doha Development Agenda and the future direction of the European Union.

