

EUROPEAN AND EXTERNAL AFFAIRS COMMITTEE EUR-02-02(min)

MINUTES

Date: 20 March 2002
Time: 9.30am
Venue: Committee Rooms 3 and 4, National Assembly Building

Attendance: Members

Rhodri Morgan (Chair)	Cardiff West
Rosemary Butler	Newport West
Christine Chapman	Cynon Valley
Mike German	South Wales East
John Griffiths	Newport East
Ieuan Wyn Jones	Ynys Mon
Tom Middlehurst	Alyn and Deeside
Rhodri Glyn Thomas	Carmarthen East and Dinefwr
Phil Williams	South Wales East

Officials

Gary Davies	Head, European and External Affairs Division
Phil Bird	European and External Affairs Division
Des Clifford	Head of the Assembly Office in Brussels
Elisabeth Jones	Office of the Counsel General
Howell Rees	Committee Clerk

Item 1: Chair's Report

Paper: EUR-02-02(p1)

1. The Chair welcomed everybody to the meeting. Apologies were received from Nicholas Bourne AM, Glenys Kinnock MEP, Jill Evans MEP, Eluned Morgan MEP, Catherine Eva, Jos Gallacher, George Wright and Rose D'Sa. The Chair of the Environment, Planning and Transport Committee, Richard Edwards, and the Chair of the Education and Lifelong Learning Committee, Cynog Dafis, also sent their apologies for the meeting.
2. The Chair highlighted some issues outside of his written report:
 - The Spanish Ambassador would not be able to take up the committee's invitation to attend a meeting during the Spanish Presidency of the European Union (EU). The committee agreed to invite the Danish Ambassador to a meeting in June or July, for discussions on the priorities for the Danish Presidency of the European Union (EU) (**action point**).
 - The President of the European Commission, Romano Prodi, would open the Commission's new office in Cardiff Bay on 24 May 2002.
 - At the Chair's request Des Clifford told the committee that the Barcelona Summit was a measuring tool to assess progress made on the ambitions outlined at the Lisbon Summit 2000 to make Europe the world's most dynamic economy by 2010. Issues discussed at the summit included the liberalisation of the energy market and the creation of the Republic of Serbia and Montenegro in a deal brokered by Javier Solana.
 - The Economic Development Committee would consider a paper on EU cohesion policy on 24 April 2002. They were interested in exploring the contribution that the structural funding programme was making to regional funding disparities.
 - The United Kingdom (UK) had been allocated three seats for the two Interreg 3B European transnational programmes and one of the seats would fall to the Devolved Administrations to share on a rotational basis. John Griffiths had been nominated as the Assembly's representative on the North-West Europe programme for the period 2002 to the end of 2003. The Assembly would have a seat on the Atlantic Area programme for the period 2004 to the end of 2005 and a representative would be chosen nearer the date. Arrangements for the other transnational programme covering Wales, Interreg 3C, had yet to be agreed. The Chair agreed to keep the committee informed of progress on these European programmes.
 - Dennis Turner, the Chief Executive of Wales Trade International, had met Milos Zeman, Prime Minister of the Czech Republic at their London Embassy as part of a trade initiative. Wales was the only region of the UK present at the meeting.

1.3 Members made the following points in discussion on the Chair's oral and written reports:

- A settlement on the liberalisation of the energy market, which would take effect from 2004, was agreed at the Barcelona Summit. France succeeded in delaying the application of the process to the domestic market because of impending presidential elections.
- The UK had the greatest inter-regional divergence of gross domestic product (GDP) of all member states. Regional divergence of GDP was evident in the more affluent member states and would be of particular interest to Wales during the enlargement process. The Chair commented that the EU emphasis on cohesion attempted to narrow disparities between member states, but the concentration of financial services and political institutions in the South-East of England had a major influence on regional divergence within the UK, during a period of rapid expansion of financial services.
- The Interreg 3C programme would cover the 'West Zone'. The Assembly was pushing to ensure representation on as many of these programmes and bodies as possible. The UK Government had requested that the Welsh Assembly Government propose a representative for the seat on the North-West Europe programme.
- The Wales European Centre was commended for presenting Wales in a positive light during 'Wales Week' in Brussels. The week served to illustrate the significance of St David's Day and the modern and traditional aspects of Wales. For future events such as 'Wales Week', party groups should consider the best method for enabling Assembly Members to attend.
- The Conference of Peripheral and Maritime Regions focused intelligently on influencing policy on a regional and local basis, which was the primary reason for the Assembly opting to join the group. The Chair would continue to examine the possibility of a future meeting of the CPMR being held in Wales.
- The Chair confirmed that there had been informal discussion between the Minister for the Environment, Sue Essex, and the Environment Directorate on implementing a pilot tri-partite agreement on an environmental issue under the Governance White Paper. The Assembly had been asked to take the lead role on networking on sustainable development programmes under the innovative actions programme.
- The meeting of the Wales Forum on European Affairs in Llandudno on 15 February 2002 had encouraged participation, particularly on the White Paper on Governance.

1.4 It was agreed that:

- The committee would consider a brief paper on European transnational programmes at the next meeting (**action point**).
- The Clerk would provide members with a note on what constituted formal committee business in light of concerns raised concerning expenses for the Forum meeting in Llandudno (**action point**).

Item 2: Discussion with the Chair of the Culture Committee

1. Rhodri Glyn Thomas said that the Culture Committee was currently involved in two issues with a European dimension. The Cardiff European Capital City of Culture 2008 bid had reached a stage where the official application was being printed. Yvette Vaughan Jones, a former employee of the Wales European Centre, had been influential in the formulation of the application. A copy of the application was available to committee members for their information. Tessa Jowell, the Secretary of State for Culture, Media and Sport would consider the application. The committee and the First Minister could use their influence to lobby the Secretary of State on behalf of the

Cardiff bid.

2. The second issue with a European dimension was the Culture Committee's review of the Welsh language. The first report of the European Charter on lesser-used minority languages was due in July. The Culture Committee would be seeking a report from the Minister on the contribution from Wales.
3. The following points were raised in discussion:
 - The Culture Committee had not had the opportunity to meet the Basque Minister for Education, although the Chair, at his request, had attended a dinner for the delegation. The committee agreed that members should be given the opportunity of meeting with visiting deputation's wherever practicable.
 - The Chair noted the recent success of the Lorient Inter-Celtic Festival. Wales was the featured nation at this year's festival and the launch in Paris attracted over 50,000 people twice on consecutive nights in the 'Stade de France'. Celtic music was big business with a broad appeal in the modern music market.

Item 3: White Paper on Governance

Paper: EUR 02-02(p2)

1. The Chair introduced the paper which was the Welsh Assembly Government's outline draft response to the European Commission's consultation on the White Paper on Governance. The response had taken into account common themes discussed at the Wales Forum on European Affairs in Llandudno. The Chair hoped that consensus could be reached so that the paper could be presented as the response of the National Assembly for Wales and its stakeholder partners.
2. The following points were raised in discussion:
 - Party groups could submit an independent response to the consultation if they wished.
 - The Assembly and Welsh local authorities already exhibited many facets of the White Paper's five principles of good governance. This would benefit Wales in debates on the future of Europe.
 - Assembly ministers were fortunate to have close relations with UK ministers. This relationship had benefited the Assembly because of Assembly Ministers attendance at meetings of the Council of Ministers.
 - The Committee of the Regions required consultation at an early stage of legislation to strengthen its role within the European framework.
 - Tri-partite agreements were potentially important for Wales because of the potential for creating policy more attuned to local needs. The committee would be eager to consider models of how the agreements may work and look at ideas formulated in other regions of the EU.
 - The response should stake a claim for Wales to be involved in the two subjects offered by the Commission, waste management and coastal zone management. The Chair commented that the Commission had encouraged Wales to formulate ideas for tri-partite agreements in areas such as these but because the legislation involved would not be implemented Europe wide it would cut across the imperatives of the Treaty of Rome.
 - The Chair informed the committee that prior to the White Paper the Welsh Assembly Government was proceeding on the 'innovative actions' programme as regards sustainable

development in particular. The Assembly had been asked by the Commission to take a lead role in networking on sustainable development, providing a benchmark for future programmes. A legal agreement between the Assembly and the Commission was currently being formalised.

- A conference was to be held in Swansea on 15 May 2002 on the development of the equality agenda through the European Structural Funding programme.

1. It was agreed that:

- Members should submit amendments on the final response to the Clerk who would pass them on to the relevant officials. The final draft would be circulated to committee members before being forwarded to the Commission in advance of the deadline of 31 March 2002 (**action point**). The response would specify agreement throughout the Assembly if a consensus was reached amongst committee members.
- The Chair would provide a note on the Assembly's arrangements with the Commission to take a lead role in networking on Sustainable Development although it may not be possible to provide it in advance of a public announcement (**action point**).

Item 4: Implications of the Euro for Wales

Paper: EUR 02-02(p3)

1. The Chair introduced the paper which outlined the implications for Wales of the launch of the single currency. The impact of the Euro had been modest so far except in areas such as Holyhead, where there was unexploited potential for trade development.
2. The following points were made in discussion:
 - The Assembly should pro-actively support and resource the Euro Task Force for Wales to ensure that it was able to continue to provide advice on the single currency to businesses in Wales.
 - A report on the impact of the Cheltenham National Hunt festival and the use of the Euro at the festival by Irish visitors on the tourist industry in Wales would be interesting. Likewise it would be important to gauge the impact of the single currency in areas near major tourist centres such as Chester.
 - The impact of the Euro on tourism in Wales could rapidly increase. Businesses and local authorities needed to be prepared for this eventuality.
 - The Wales Tourist Board should send out the message to potential visitors that the Euro could be used in Wales. The Tourist Board had inserted the British Tourist Authority guide to the Euro in the February edition of its 'Trade Talk' magazine. There had been no requests for further information resulting from the publication of this guide. It was important that the tourist industry in Wales was prepared for the potential impact of the Euro this season.
 - John Casterton, the Euro Task Force manager, was continuing to visit local authorities and interest groups including business and tourist organisations, to provide advice on the Euro. This programme of visits would be ongoing for some time. The Steering Committee of the Euro Task Force would meet on 29 April 2002 and officials would feed the points raised in this meeting into the Steering Committee.
 - The committee's role in considering the criteria for joining the Euro was discussed. Some

members wanted a discussion at the committee's next meeting. The Chair was clear however that business managers should first consider how the Assembly as a whole should debate this issue.

1. It was agreed that a note on the resourcing of the Euro Task Force in Wales would be circulated to committee members (**action point**).

Item 5: Extended remit of the committee

Paper: EUR 02-02(p4)

1. The Chair introduced the paper which outlined the activities of the Welsh Assembly Government in relation to its international agenda beyond Europe. The activities fell into four broad categories of promotional activity, overseas events, inward visits and international relationships.
2. Members made the following points in discussion:
 - The profile of Wales had risen across the globe following devolution. The success of educational links with New South Wales highlighted this increased profile and the 'Wales World Nation' marketing and communications package had received positive feedback.
 - It was important for the Assembly to monitor annually the success of links to evaluate whether Wales' profile was continuing to rise. The Assembly worked closely with the British Council in Cardiff on this.
 - The Assembly was working on a branding project to promote Wales. Gary Davies informed the committee that the programme budget for external relations activity for 2001-2002 was £1.1 million and projected to be £1.2 million in the next financial year.
 - It was important that Welsh cultural and sporting representatives adopted an unofficial ambassadorial role when overseas.
 - An official group that included representatives from Assembly Sponsored Public Bodies had been established to maximise opportunities and to raise Wales' international profile. The Welsh Council for Voluntary Action and other voluntary organisations might be able to provide a useful source of information about international links.

Item 6: European Regions with Legislative Powers

Paper: EUR 02-02(p5)

1. Des Clifford introduced the paper which outlined the Assembly's involvement in the group called the 'Regions with Legislative Powers'. Wales had been a member of the group from its conception and Des Clifford was a member of the steering group, at official level, which was in the process of setting the agenda for the next meeting in Tuscany. The main objective of the group was to press for a greater recognition of the regions within the EU.
2. The following points were raised in discussion:
 - The Assembly could learn from members of the group that had previous experience of asymmetric devolution, as we had in the UK.
 - The Chair commented that the Assembly had been welcomed in the group as an example of 'real'

devolution, although other regions did not always understand how the devolution arrangements worked in Wales.

Item 7: Reports from Standing Invitees

Paper: EUR 02-02(p6) and EUR 02-02(p7)

1. Rosemary Butler reported on the work of the Committee of the Regions (COR):
 - The COR was a small, but possibly influential, part of the European framework which understood that in order to deliver, the organisation would have to change.
 - European papers from the COR could be disseminated to Assembly committee's for examination.
 - The COR plenary session on 13-14 March 2002 was attended by Neil Kinnock, the Vice-President of the European Commission, who discussed the Commission's Work Programme 2002, the secondment of officials to the EU and the challenges that new entrant states would face on entry. A representative of the Spanish Presidency also addressed the plenary session and discussed ageing, which was a subject that the Assembly could consider in due course.
 - The UK delegation's strategy group, of which Rosemary Butler had become a member, was in the process of discussing a European constitutional style document. In order to inform the Assembly's input into the document, Rosemary Butler would provide the committee with a written summary of the main points discussed in the COR.

1. The following points were raised in discussion:
 - It was important that Eluned Morgan MEP and Glenys Kinnock MEP had met Commissioner Pascal Lamy to discuss the situation for the Welsh steel industry in light of the recent introduction of tariffs by the USA.
 - The Chair commented that the Welsh Assembly Government should appoint the Welsh representatives on the Economic and Social Committee.
 - The committee felt it was important to meet Commissioner's Romano Prodi and Viviane Reding on their visits to Wales in May and June 2002.

Item 8: Minutes of previous meeting

Paper: EUR-02-02(min)

8.1 The minutes of the previous meeting were agreed.

The meeting concluded at 12.00pm