

Constitutional and Legislative Affairs Committee

Inquiry into Wales' Role in the EU Decision Making Process

EU 5 – Foreign and Commonwealth Office

Constitutional and Legislative Affairs Committee inquiry into Wales' role in the EU decision making process: Foreign and Commonwealth Office contribution (in consultation with the Department for Environment, Food and Rural Affairs)

Summary

1. This submission sets out how the interests of Wales are represented at European Union (EU) level by the United Kingdom (UK). The devolved Welsh Government influences and contributes to the EU policy positions of the UK through a series of agreed working arrangements, which continue to evolve. The UK Government considers that these arrangements help to deliver good outcomes for both Wales and the UK as whole.
2. This submission also addresses specific points on agriculture and the Balance of Competences Review which are raised in Annex 1 of the Committee's letter of invitation to submit evidence.

Introduction

3. The scale and reach of the UK's diplomatic network creates trade and investment opportunities for British people and businesses. Being part of the UK opens doors for Welsh businesses around the world and creates jobs and growth at home. Welsh based businesses benefit from access to and promotion through UK Trade and Investment's¹ 162 offices in over 100 countries. The FCO's diplomatic and consular network is one of the largest and most respected in the world, with around 270 diplomatic posts in 170 countries, employing 14,000 staff.
4. The UK, including Wales, enjoys favourable terms of membership of the EU, reflecting its unique position and interests, which have been negotiated over a long period of time. In addition to securing opt-outs from the euro and from the Schengen travel area, which allows it to maintain control of its own borders and immigration policy, the UK has also negotiated an abatement from the EU budget worth £3 billion each year to the British taxpayer.
5. Wales benefits from the UK's strong voice in Europe. While foreign and European affairs are reserved to the Government under the current devolution arrangements, it routinely consults each of the Devolved Administrations (DAs) when developing the UK's position in EU negotiations in which they have an interest. This close working relationship extends to Ministers from the Welsh Government joining the UK Delegation attending EU Council meetings.

UK representation to the EU

¹ Run jointly by the FCO and BIS.

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6. The Foreign and Commonwealth Office (FCO) is the UK Government department responsible for foreign affairs. The United Kingdom Permanent Representation to the European Union (UKRep Brussels) represents the UK in negotiations that take place in the EU.
7. In common with other foreign policy matters, relations with the EU are a non-devolved competence. However, UKRep Brussels works closely with the Welsh Government office in Brussels on issues in which the Welsh Government has an interest.

Devolved working arrangements on EU matters

8. The UK Government recognises the importance and benefit of working with the Welsh Government on matters of mutual interest and involving the Welsh Government as fully as possible in discussions about the formulation of the UK's policy position on all EU and international issues which touch on devolved matters.
9. The formal relationship between the UK Government and the Welsh Government is set out in the *Memorandum of Understanding and Supplementary Agreements Between the United Kingdom Government, the Scottish Ministers, the Welsh Ministers, and the Northern Ireland Executive Committee and the Concordat on Coordination of EU Policy Issues*.
10. The MOU contains provisions on DA Ministers' attendance and representation at EU Council meetings. UK Ministers take into account that DAs should have a role to play in meetings where subjects of interest to them will be discussed. The Government has gone further than these provisions, and the current practice of welcoming DA attendance at EU Councils where possible is more inclusive than the provisions of the MOU.
11. In March 2013 the UK Government and DAs agreed to reinforce practice on attendance and representation of the UK and DA interests at the European level by agreeing changes to the MOU. In particular, it was agreed that UK Ministers will look favourably upon DA Ministers' requests to attend Councils and, on the occasions where attendance is not possible, to explain the reason for this.
12. This reflects the advances made by the Government in ensuring the views of all parts of the UK are reflected in the development of EU policy where there is a mutual interest. These changes are expected to be formally agreed at the next Joint Ministerial Committee (Europe) Plenary in autumn 2013 and mark an important step in building on the good working practices which have been developed in recent years.
13. Welsh and other DA officials contribute to the shaping of the UK negotiating strategy going into Councils, in which their priorities are represented. For example on CAP reform at every Agriculture Council policy positions and speaking notes were developed in consultation with Welsh officials, and Ministerial discussions were held prior to each Council.

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Representation of Welsh interests on agriculture

14. The Government was fully committed to ensuring that it negotiated with the Commission, European Parliament and other Member States so that the UK received the necessary flexibility within the current CAP proposals to ensure that implementation can reflect the agronomic and ecological diversity of the different parts of the UK. It is important to highlight that the DAs and the Government agree far more than they differ on CAP reform.
15. Having secured an amendment on regionalisation in the Council negotiating position in March, the Secretary of State for Environment, Food and Rural Affairs continued to emphasise the issue, resulting in a Commission Minute Statement at June Council that confirmed that Wales and the other DAs are able to implement all four CAP regulations regionally, in line with the UK's devolution arrangements.
16. The UK protected the DAs from being required to make too sudden a move away from historic farm payments to area payments in 2015. The UK reduced the step from 40% to 10%. The UK was also successful in achieving greater simplicity for Wales and the other DAs in the move towards the 60% minimum target of switching from historic to area payments required by 2020.
17. The Government has been negotiating hard for simplification across the CAP reform proposals, which would benefit Wales and the other DAs. This has included successfully arguing for flexibility for Member States to have the option to deliver greening through national certification schemes, allowing Wales to fine tune the Commission's three measures, if necessary, to achieve the best balance of costs and environmental benefits.

Balance of Competences review

18. The Balance of Competences review will provide an analysis of what membership of the EU means for UK national interests. The review will be evidence-based and will not produce recommendations or conclusions, nor will it look at alternative models for the UK's overall relationship with the EU.
19. At the launch of the Balance of Competences review in July 2012 the Foreign Secretary wrote to Alun Davies, Welsh Deputy Minister for Agriculture, Food, Fisheries and European Programmes, providing an outline of the Review and inviting engagement. Calls for Evidence for semester one reports were launched in November 2012. Lead departments for each of the reports wrote to their counterparts in the Welsh Assembly Government notifying them of the launch and inviting views.
20. For the Animal Health Welfare and Food Safety report, the Department for Environment, Food and Rural Affairs (DEFRA) received useful responses from the Welsh Government, Wales Heads of Trading Standards and Hybu Cig Cymru (Meat Promotion). The first semester Calls for Evidence closed in February 2013 and publication of all six first semester reports is expected shortly.

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21. The Call for Evidence on the Environment and Climate Change Report was launched on 20 May and was sent to a number of Welsh stakeholders. DEFRA is working with colleagues in the Welsh Government to arrange a workshop (late July) for stakeholders in and around Wales with an interest in the issues being covered in the Environment and Climate Change report.
22. The Government recently launched Calls for Evidence for the second semester reports (covering internal market (free movement of goods); internal market (free movement of persons); asylum and immigration; trade and investment; environment and climate change; transport; research and development; tourism, culture and sport; and civil justice). Again, lead departments for each of the reports have written to their counterparts in the Welsh Government notifying them of the launch and inviting views.

Devolution works

23. The Government believes that devolution works, and is working well for Wales. The arrangements we have allow for Wales' devolved interests to be represented at European and international level, with the active assistance of the Government.
24. In a speech on 21 November 2012 in the National Assembly for Wales on the EU's long-term budget, Alun Davies AM, then the Welsh Government's Deputy Minister for Agriculture, Food, Fisheries and European Programmes, thanked the Foreign Secretary and the Minister for Europe for their positive support in enabling his contribution to Ministerial Councils as a part of the UK Ministerial team. Mr Davies also paid tribute to the Foreign and Commonwealth Office and to UKRep for their help and support "without which our role in representing Wales would be impossible."