

European and External Affairs Committee

Minutes

Date 14 October 2004
Time 9.00 to 12.00
Venue National Assembly for Wales, Cardiff Bay

Attendance

EDT Members

Sandy Mewies (Chair)
Rosemary Butler
Christine Chapman
Rhodri Morgan
Mike German
Christine Gwyther
Rhodri Glyn Thomas
Nick Bourne

Constituency

Labour: Delyn
Labour: Newport West
Labour: Cynon Valley
Labour: Cardiff West
Liberal Democrat: South Wales East
Labour: Carmarthen West and South Pembrokeshire
Plaid Cymru: Carmarthen East & Dinefwr
Conservative: Mid & West Wales

Substitutions

Janet Davies substituted for Ieuan Wyn Jones who sent his apologies.

Officials

Gary Davies	European and External Affairs Division
Des Clifford	European and External Affairs Division
Caroline Turner	Welsh European Funding Office
Rob Halford	Economic Policy Division

In attendance

David Melding AM Chair, Health and Social Services Committee

Secretariat

John Grimes
Lynsey Edwards

Clerk
Deputy Clerk

Item 1: Introduction, apologies and substitutions

- 1.1 Apologies were received from Jonathan Morgan AMuw Lew and from standing invitees: Jonathan Evans MEP, Glenys Kinnock MEP, Eluned Morgan MEP and Rose D'Sa.

Item 2: Minutes of previous meeting and matters arising

- 2.1 It was noted that Jonathan Morgan's constituency was South Wales Central, not South West Central.
- 2.2 Members asked about progress in finding a replacement for Jan Royall. The Clerk said that the post had been advertised and that the recruitment process was proceeding. However, as far as he was aware, the European Commission had not yet made an appointment. The Chair asked that the Clerk inform Members when a replacement had been appointed. [Action: Clerk]
- 2.3 Members agreed with the Chair's suggestion that the Clerk should routinely prepare a summary of action arising from meetings and the action taken. [Action: Clerk]
- 2.4 The Chair said that four Members had indicated that they were unable to attend the Brussels meeting scheduled for 9 December. Members agreed that the Committee should look for an alternative date in the New Year and that the meeting scheduled for 9 December would take place in Cardiff. Members agreed that the Committee should try to maximise the impact of the visit to Brussels and consider options to incorporate a range of visits at the same time. The Chair said that one of the difficulties was finding times when Members, with their very heavy work schedules, were available. The Clerk was asked to consider the possibilities and prepare some options for Members to consider. [Action: Clerk]
- 2.5 On the UK EC Chairs meeting, the Chair said that a date had been agreed for the UK EU Chairs but it would have to be rearranged because the Scottish representatives and those from the House of Lords had subsequently been unable to attend.

Item 3: First Minister's Report EUR2 07-04 (p1)

- 3.1 The First Minister introduced his report and said that he had received a letter of apology from Eurostat apologising for the omission of Wales from the cover of their report. He agreed to circulate a copy of the letter to Members. [Action: First Minister]
- 3.2 He then highlighted areas of his report including his visit to China, the success of the forum on EU Regional Policy Post 2006, which had met at Caerleon on 15 September, the visit by the President of the Brittany Regional Council.
- 3.3 He referred to a lunch he had had with the Consul General of Ireland who had now left Wales and would be replaced by Colm McGrady. The Chair said she had written to him.

- 3.4 In response to a question on the 1% UK target for the budget, the First Minister said he did not believe that the Gross Domestic Product (GDP) limit would be maintained. They were undertaking work to explore the alternatives. The situation was however dependent on changes to the limits set for other schemes such as the Common Agricultural Policy (CAP)
- 3.5 The First Minister reported on developments in relation to Wales' relationships with Latvia and Silesia. He agreed to provide a summary of this to the Committee and to provide regular updates .
[Action: First Minister]
- 3.6 On the Joint Minister's Committee on the Working Time Directive, the First Minister said that the British government was unlikely to succeed in retaining individual opt out agreements. In response to a question on the impact of this on the NHS, the First Minister said that problems would continue due to the dependence on shift rotas. However the new draft regulations meant that the situation was more satisfactory than previously. Officials said that progress had been made and that in the revised proposals time resting between call outs would not be counted as working time.
- 3.7 Referring again to the problems with the Eurostat map, Members commented that the situation might have been avoided if a greater number of Welsh people were employed by the organisation. A greater emphasis on foreign language teaching in schools might facilitate this. Officials said that there were costs to consider when placing Welsh civil servants into the European Commission in Brussels, however huge benefits could be gained from their experience. The Chair suggested that the matter be kept under review.
- 3.8 On the visit to China, the First Minister said that there were three levels of engagement with companies in Wales: those where Welsh companies had offices based in China; a 'flying' presence where companies sourced goods from China; and Chinese investment in Wales where they had a base in Wales. He said that it was important for Welsh businesses to be aware of the speed of growth of the Chinese economy in all areas.
- 3.9 In relation to the development of female Chinese entrepreneurs, the First Minister said that whilst most of the senior trade politicians were women, entrepreneurship among women was not as developed in China.
- 3.10 The First Minister said that twinning links with Xiamen were being reactivated at Ministerial level and that he had launched an initiative in China, the Wales International Consortium, which hoped to attract fee paying Chinese student to Welsh universities, thereby boosting their budgets.

Item 4: Report on the UK Presidency of the Council of the European Union, 2005 EUR2 07-04 (p2)

- 4.1 The First Minister introduced the item saying that the UK Government's theme for the UK presidency was for one that was 'modest' in style. He said that he hoped that some informal meetings would be held in Wales during the period and the themes to emphasise would be economic development, employment and the environment. Nonetheless, the UK government would ultimately decide on the priorities.

- 4.2 In response to a question on the programme, Officials said that it was too early to provide much detail, because the UK presidency had to follow both the end of the present Dutch presidency and Luxembourg's which followed. It was possible that a clearer picture would be available by Easter 2005. Officials were involved in the development of the agenda and they would look to take advantage of opportunities to promote Wales. The Chair asked that the Committee be kept updated. [Action: First Minister]
- 4.3 Members urged that preparations for the presidency began as soon as possible. Opportunities such as the Youth Event in Wales were excellent one-off schemes and the Committee would also like to see spin-off activities from these. It was hoped that the Youth Event in Wales would encourage children of all abilities and backgrounds to participate. The Chair hoped that children from all over Wales would attend and that they would be given funding to do so.
- 4.4 In response to a question on environmental issues, The First Minister said that it was unlikely that the environmental meeting itself would be coming to Wales however, depending upon how many informal meetings were held in Wales, it might be possible to weave environmental issues into other meeting topics.
- 4.5 On the policy agenda the First Minister said that he had reserved Wales' position to try to ensure its interest
- 4.6 The Chair said that the Clerk had been in touch with the Luxembourg Embassy and hoped someone would be available to attend the 9 December meeting of the Committee to talk about their presidency. [Note: The Luxembourg Ambassador has now confirmed he will attend the meeting to talk to the Committee]

Item 5: New Structural Funds Regulations EUR2 07-04 (p3)

- 5.1 The First Minister introduced the item and said that the main issues to consider were State Aid and Structural Funds. The issue relating to State Aid was whether the criteria for determining the Assisted Areas map should be based on a NUTS 2 or NUTS 3 level. He said he believed that Wales would overall obtain more benefit from an approach based on using the NUTS 2 level. However it depended upon whether West Wales and the Valleys remained as a statistical effect region subject to transitional provisions in the new Regional Aid Guidelines. If transitional aid was provided this would decrease over the period until 2013 however this would still represent a good outcome for Wales. Officials said that they were involved in discussions on the detail of the Regulations. The commission had delayed plans for a multi-lateral meeting with member states to discuss its proposals until December to allow more time for it to consider individual Member State responses. Officials agreed to notify the Committee of the new meeting date, once known. [Action: Officials]
- 5.2 Members were generally supportive of the thematic approach to structural funding, because its wider coverage offered better opportunities for partnership working among local authorities. The First Minister said that the areas that may lose out in East Wales might be able to participate in the successor to the INTERREG programme. Members also welcomed simplification of the funding schemes. Officials said that there would now be a single fund per programme rather than multiple funds. However they had hoped to see more proportionality with regard to financial control and audit.

- 5.3 Members expressed concerns about the membership of the External Stakeholders Group and the fact that 16 of the 20 members were from the public sector. While, there was private sector representation within it, this was on a rotational basis – and yet the public sector representation had no such restriction. The First Minister said that there was a need to draw a balance between the range of representation and the size of the group. The private sector had expressed no reservations.
- 5.4 Members felt that analytical work was needed on the consequences for Wales of the different mapping options under the Regional Aid Guidelines and the differences between adopting NUTS 2 and the NUTS 3 approaches. While acknowledging that some of the information was complex, and that some options might change, the First Minister agreed to share the information with the Committee as best he could. He would try to provide the Committee with the potential maps under each proposal, for the next meeting. [Action: First Minister].
- 5.5 Regarding post 2006 Structural Fund proposals, the First Minister said that the Treasury needed to be persuaded to be sympathetic to Wales' position. It was unlikely, however, in the First Minister's opinion that the 1% GDP ceiling and the current level of structural funds for Wales could be maintained.
- 5.6 Referring to concerns about pockets of deprivation in Wales, the First Minister said that theme-based programmes, such as Communities First, would help to overcome these problems.
- 5.7 A Member suggested that homing in on smaller areas might be useful in targeting assistance and referred to information available at lower than ward level which might help with this. In response, the First Minister said that figures for very small areas, and for those for which there were not natural geographic boundaries, could be distorted by levels of commuting. There was also a need to adopt data sets that were consistent with the approach used in other countries in the EU.

Item 6: Discussion with Chair of Health and Social Services Committee on European and External Affairs Issues.

- 6.1 David Melding introduced the item and said that in order to improve the scrutiny of subordinate legislation, the Health and Social Services (HSS) Committee had developed a protocol whereby they were provided with lists at each meeting containing all potential items of subordinate legislation with a brief description. Further information could then be requested from Members Research Service.
- 6.2 On patient mobility, David Melding said that the European Commission had requested that criteria be developed to deal with this issue. At present it was acceptable for a person to seek treatment in another country where such treatment had been delayed in his or her own country.
- 6.3 On choosing which legislation to scrutinise, David Melding said that it was inevitably a subjective process and his Committee were always pleased to consider suggestions from EEAC or other Committees. Joint working on a piece of legislation was also an option. A consideration also had to be the effect the legislation had on policy. He noted that a Committee had to get involved very early in the development of legislation to be able to influence it effectively.
- 6.4 The Chair said that the Clerk was hoping to provide the Committee with an update on the working of the existing arrangements at the next Committee meeting. [Action: Clerk].

- 6.5 Concluding the discussion, the Chair said that the Committee had now talked to most of the subject Committee Chairs and that it was perhaps time to pause before starting a new round. Members agreed that the programme should be extended to other Committee Chairs and suggested that the Chair of the Equality of Opportunity Committee should be invited to the next meeting of EEAC.

Item 7: European proposals deposited in the UK parliament

EUR2 07-04 (p4)

- 7.1 Members expressed concern about the volume of potentially relevant legislation. It was suggested that an informal session might be one way to consider these further. The Chair suggested that the Clerk could consider options and put these to Members by e-mail. [Action: Clerk].
- 7.2 Members indicated that they wished to consider the following items in further detail:

- 821 Proposal for a Council Regulation on the financing of the common agricultural policy
- 849 Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund
- 850 Proposal for a Council Regulation establishing a Cohesion Fund
- 853 Proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund
- 864 Proposal for a Council Regulation laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.
- 835 European Defence Agency
- 836 Draft Council Decision on the financial provisions applicable to the general budget of the European Defence Agency (EDA)

Item 8: Update from Members of the Committee of the Regions

- 8.1 Rosemary Butler gave Members an update of the work of the Committee of the Regions including an account of her meeting in Bulgaria with the new accession countries to the EU. The meeting had focused on local government and environment issues. It was felt that a large amount of work would need to be done on the latter once the new countries had entered the European Union. Immigration also appeared to be a serious issue for new accession countries.
- 8.2 On the Culture Budget 2007-2013 Rosemary Butler said she had been asked to prepare an Opinion to present to Plenary of the Committee of the Regions. She would be presenting a preliminary paper at a Committee of the Regions conference in Genoa in December. Nia Lewis from the Wales Office in Brussels would be assisting her in preparing the report.
- 8.3 The EU delegation of the Committee of the Regions would be visiting Cardiff in December and Members were urged to attend.
- 8.4 A website, www.eccowales.com had been launched using Objective One funding. The site allowed crafts people to sell their goods online. The scheme was now being extended to Objective Two areas.

- 8.5 Janet Davies said that she had attended a group meeting of the Committee of the Regions in Brussels in September and hoped to attend a further meeting in late November.
- 8.6 On the Culture Budget 2007-2013 report, Members asked that the draft report be circulated to the Committee once completed. [Action: Rosemary Butler]
- 8.7 The Chair said that Jan Royall had suggested the Committee might visit various EU projects in Wales. The Chair asked for suggestions on the type of project that the Committee might like to look at. Members suggested that the visits might take place during recess due to time constraints. It was further suggested that the Chair might accompany other Committees on visits where there was a particular interest for the European Committee.

Committee Service October 2004