



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Y Pwyllgor Materion Ewropeaidd ac Allanol  
The Committee on European and External Affairs**

**Dydd Mawrth, 15 Chwefror 2011  
Tuesday, 15 February 2011**

**Cynnwys**  
**Contents**

- 4 Cyflwyniad, Ymddiheuriadau a Dirprwyon  
Introduction, Apologies and Substitutions
- 5 Llywydd Cyngor Rhanbarthol Llydaw a Chynhadledd y Rhanbarthau Morol Ymylol  
President of the Regional Council of Brittany and Conference of Peripheral Maritime  
Regions
- 17 Blaenoriaethau ar gyfer Llywyddiaeth Hwngari yn yr Undeb Ewropeaidd  
Priorities of the Hungarian Presidency of the EU
- 23 Prif Weinidog Cymru: Y Wybodaeth Ddiweddaraf am Ddatblygiadau yn yr Undeb  
Ewropeaidd  
First Minister for Wales: Update on EU Developments

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Nick Bourne	Ceidwadwyr Cymreig Welsh Conservatives
Jeff Cuthbert	Llafur Labour
Rhodri Morgan	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

**Eraill yn bresennol**  
**Others in attendance**

Klára Breuer-Rudas	Dirprwy Lysgennad Deputy Ambassador
Sylvie Couratin	Cyfarwyddwr Materion Ewropeaidd a Rhyngwladol Director of European and International Affairs
Ei Ardderchowgrwydd/His Excellency, Mr János Csák	Llysgennad Hwngari i'r DU Hungarian Ambassador to the UK
Alun Davies	Is-gennad Anrhydeddus Gweriniaeth Hwngari yng Nghymru Honorary Consul of the Republic of Hungary in Wales
Gary Davies	Pennaeth yr Is-adran Materion Allanol ac Ewropeaidd, Llywodraeth Cynulliad Cymru Head of European and External Affairs Division, Welsh Assembly Government
Rob Halford	Pennaeth Strategaeth a Chynllunio, Swyddfa Cyllid Ewropeaidd Cymru Head of Planning and Strategy, Welsh European Funding Office
Péter Horváth	Comisiynydd dros yr Economi, Buddsoddi a Masnach Economic, Investment and Trade Commissioner
Carwyn Jones	Aelod Cynulliad, Llafur (Prif Weinidog Cymru) Assembly Member, Labour (The First Minister of Wales)
Pierre Karleskind	Llywydd y Comisiwn Cyllid a Chynrychiolydd Materion Ewropeaidd President of the Finance Commission and Delegate for European Affairs
Florian Lebeau	Pennaeth y Gwasanaeth Cydweithredu Rhynggranbarthol Head of Unit of Inter-regional Co-operations Service
Jean Yves Le Drian	Llywydd Cyngor Rhanbarthol Llydaw a Chynhadledd y Rhanbarthau Morol Ymylol President of the Regional Council of Brittany and Conference of Peripheral Maritime Regions
Chris Miles	Dirprwy Bennaeth Polisi yr Undeb Ewropeaidd, Llywodraeth Cynulliad Cymru Deputy Head of European Union policy, Welsh Assembly Government

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Lara Date	Clerc Clerc
Gregg Jones	Pennaeth Swyddfa UE Cymru, Gwasanaeth Ymchwil yr Aelodau
Sarita Marshall	Head of Wales EU Office, Members' Research Service Dirprwy Glerc Deputy Clerk

*Dechreuodd y cyfarfod am 9.02 a.m.  
The meeting began at 9.02 a.m.*

### **Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions**

[1] **Rhodri Morgan:** Croeso cynnes i'r Aelodau, y swyddogion, y gwesteion, ac i bawb sydd yn yr oriel gyhoeddus. Mae cyfieithiad ar y pryd ar gael ar sianel 1 a darllediad gair am air i glywed y sain yn well ar sianel 0. Dylai pawb ddiffodd unrhyw offer electronig.

**Rhodri Morgan:** A warm welcome to Members, officials, our guests and to everyone in the public gallery. Simultaneous interpretation is available on channel 1 and the verbatim broadcast and sound amplification is on channel 0. Everyone should switch off any electronic equipment.

**Rhodri Morgan:** Je voudrais tout d'abord souhaiter la bienvenue à chacun de nos invités et ainsi qu'aux personnes qui se trouvent dans la galerie du publique. Vous pouvez trouver nos traductions vers l'anglais sur le canal 1 et sur le canal 0 si vous êtes malentendant. Veuillez éteindre vos appareils électroniques.

[2] Please switch off any mobile phones, BlackBerrys or anything else, because they interfere with the sound equipment. In the event of an emergency, an alarm will sound and ushers will direct everybody to the nearest safe exit and assembly point.

Je souhaiterais vous rappeler que l'ensemble de votre matériel électronique doit être éteint: téléphone portable, Blackberry etc parce que ça peut poser des problèmes. En cas d'urgence, il y aura une alarme qui sonnera et vous aurez des huissiers qui vous emmèneront vers les sorties de secours.

[3] We have received apologies from Eleanor Burnham. We are expecting Nick Bourne to arrive any minute now.

Je souhaiterais m'excuser pour Eleanor Burnham qui n'est pas là ce matin. Nous attendons Nick Bourne qui doit arriver.

[4] I invite Members who need to make any relevant declarations of interest under Standing Order No. 31.6 to do so. I see that there are none.

Je souhaiterais maintenant inviter l'ensemble des membres à effectuer les déclarations intéressantes de l'Ordre du Jour No. 31.6. Je vois qu'il n'y a aucun.

[5] I would like to raise two issues before we launch into our items involving guest participation this morning. The first is the forum meeting of the members of the European committees of the five legislatures of the United Kingdom, which took place on Monday—that is, the House of Commons, the House of Lords, the Northern Ireland Assembly, the Scottish Parliament and the National Assembly for Wales. Lara and I met

Il y a 2 points auxquels je souhaite me référer avant que nous entendions nos invités. Tout d'abord, c'est le forum des cinq membres, des comités Européens des cinq législatures du Royaume-Uni qui a eu lieu lundi. C'est-à-dire la Chambre des Communes, la Chambre des Lords, l'Assemblée d'Irlande du Nord et le Parlement Ecossais, plus moi-même et Lara. Donc c'était il ya 8 jours, non pas hier. Et ce qui en est ressorti, pas grand chose à vrai dire. Mais il est toujours agréable de

our counterparts. It was not yesterday; it was eight days ago, so a week yesterday. Although not a great deal came out of the meeting, it was useful to be aware of the perceptions of the new chair of the House of Commons scrutiny committee, Bill Cash, who is well-known as a ferocious Eurosceptic, but is also an experienced parliamentarian, and is very interested in European scrutiny. Lord Roper continues for the House of Lords, and Irene Oldfather continues for the Scottish Parliament; I think that the Northern Ireland person is new as well.

savoir un peu comment le nouveau Président du Comité de la Chambre des communes, Bill Cash, qui est un Euro sceptique invétéré. Et pourtant relativement intéressé par les questions Européennes, je crois aussi que le nouveau responsable de l'Irlande du Nord est nouveau également.

[6] **Ms Date:** Yes, that is right.

**Ms Date:** Oui, vous avez raison.

[7] **Rhodri Morgan:** That was a week ago, and we were also able to talk about some of these issues that we will be discussing later with the Conference of Peripheral Maritime Regions, such as attitudes to cohesion, and so on. Tomorrow, we will publish our report on Welsh participation in EU research innovation and lifelong learning programmes, including framework programmes 6 and 7, and we will have a reception in the main hall of the Assembly, I believe. Where is it exactly, Lara?

**Rhodri Morgan:** Voilà, donc ça c'était la semaine dernière et nous avons pu discuter d'un certain nombre de questions dont nous allons discuter avec la CRPM, la cohésion etc., et autres programmes de cohésion. Et demain, nous allons publier notre rapport sur la participation galloise au programme de recherche d'innovation et formation continue des PC 6 et 7.

[8] **Ms Date:** It is in the main hall of the Pierhead building.

**Ms Date:**

[9] **Rhodri Morgan:** Sorry, I should have said the Pierhead building. That is at 12 p.m. tomorrow, and some sort of food will be available. There is considerable interest, is there not? We are told that it will be well attended, and we will be able to launch our report in the proper manner.

**Rhodri Morgan:** Donc, cette publication aura lieu à midi, cette présentation aura lieu au bâtiment du Pierhead à cote d'ici. Il y aura également quelques rafraichissements. Je crois que beaucoup de gens vont assister à cette réunion, donc la présentation de ce rapport pourra être faite d'une manière satisfaisante.

[10] That is all on item 1, unless anyone has any questions.

Voilà, donc fini pour le point 1.

9.05 a.m.

**Llywydd Cyngor Rhanbarthol Llydaw a Chynhadledd y Rhanbarthau Morol  
Ymylol  
President of the Regional Council of Brittany and Conference of Peripheral  
Maritime Regions**

[11] **Rhodri Morgan:** I have great pleasure in welcoming an old friend of mine,

**Rhodri Morgan:** J'ai l'immense plaisir d'accueillir un vieil ami à moi Jean-Yves Le

Jean Yves Le Drian, who is here today in his role as President of the Conference of Peripheral Maritime Regions, a role that is additional to his day job as President of the Conseil Régional of Brittany. I should mention that not only does Wales have historic links with Brittany, which I do not need to go into now, but we also have a memorandum of understanding that Jean Yves and I signed in 2005 to see what we could learn from each other because of the obvious similarities in size, our western, peripheral location relative to the main member states of which we are respectively part, and to exploit our specialist interest in the knowledge economy, tourism, maritime tourism, and so on. However, that is not the subject of today's discussions. Today, the subject is the CPMR's status as a consultative body within the European family, and the way that Jean Yves has taken this forward in order to provide an agenda by the CPMR on the cohesion issue, in which we have a great deal of interest.

[12] I now invite Jean Yves, as President of the CPMR, to make some initial comments. Those comments will be in French, and some of us may be able to follow it, and some may need the translation. Then, we believe that Mr Karleskind, the President of the Finance Commission of the CPMR, will then speak for a further five minutes on co-operation between Brittany and Wales. Then there will be as much time as we can squeeze in for questions.

[13] Would you commence, Jean Yves?

[14] **Mr Le Drian:** Merci de cet accueil amical, et bonjour mesdames et messieurs les membres de la Commission des Affaires Européennes et Extérieures de l'Assemblée nationale du Pays de Galles. C'est vrai que le déplacement que j'effectue ici avec le Vice-Président de la Bretagne, Pierre Karleskind, et les collaborateurs est, d'abord, pour continuer la coopération entre le Pays de Galles et notre région. Je rencontrerai ce matin, en fin de matinée, le Premier Ministre, le successeur de Rhodri. Je me rappelle que nous avons un accord historique signé en 2005 par tous les deux ici et que Rhodri Morgan est venu déjà parler devant

Drian. Il qui est à la fois un Président du Conseil Régional de Bretagne, et occupe d'autres fonctions. Mais aujourd'hui, il est parmi nous en tant que Président du CRPM. Et ce que je souhaiterais dire au sujet de la Bretagne, c'est que non seulement il existe des liens historiques entre nos deux régions sur lesquelles je n'ai pas besoin de revenir, mais il existe également un accord entre nous qui a été signé en 2005 et qui est intéressant, puisque nous avons à peu près la même taille; nous sommes des régions périphériques occidentales. Nous faisons partie d'états membres qui ont des rapports également et nous cherchons à exploiter au maximum nos connaissances communes sur la connaissance, l'économie maritime, le tourisme, etc. et d'autres questions. Mais ce n'est pas le sujet aujourd'hui. Le sujet aujourd'hui est l'état de la CRPM en tant qu'organisme consultatif au sein des institutions européennes et la manière dont Jean-Yves va faire avancer cela, sur les questions de la cohésion sur lesquelles, bien entendu, nous nous intéressons grandement.

Je voudrais tout d'abord inviter Jean-Yves en tant que Président de la CRPM de commencer, de nous parler en français. Peut-être que certains d'entre nous pourront suivre en anglais. Ensuite, Monsieur Karleskind qui est le Président de la Commission financière, nous parlera cinq minutes de plus sur la coopération entre la Bretagne et le pays de Galles. Ensuite, nous aurons tout le temps du reste du cours pour une séance de questions.

Jean-Yves, si vous voulez bien commencer.

**Mr Le Drian:** Thank you very much for this friendly welcome, and good morning ladies and gentlemen and members of the European and External Affairs Committee. It is true that the main focus of this trip that I am on with the Vice-President of the Brittany region, Pierre Karleskind, and my staff is the continuing co-operation between our region and Wales. Later this morning, I will meet the First Minister, Rhodri's successor. It is true that we have a historical agreement, which we entered into via a memorandum of understanding in 2005. Rhodri has addressed the regional Assembly of Brittany, and today's meeting serves to further our policy

l'Assemblée régionale de Bretagne. Notre rencontre d'aujourd'hui, c'est pour continuer la politique commune d'action. Mais c'est vrai que l'entretien devant la commission a une autre signification et j'interviendrai plutôt comme président de la CRPM que président de la région Bretagne, même si Pierre Karleskind parlera plus de la partie Bretonne tout à l'heure. Je parlerai aussi un peu comme rapporteur au Comité des Régions de l'avis sur la cohésion territoriale qui date maintenant de quelques mois, mais qui a aussi un sens dans la réflexion d'aujourd'hui. On m'a demandé de parler dix minutes. J'essaie d'aller au centre de nos préoccupations.

[15] La CRPM se porte bien; vous êtes, le Pays de Galles, parmi les membres historiques ; nous continuons notre action, et nous sommes aujourd'hui 162 régions membres. Des régions membres, ce n'est pas uniquement que des régions qui signent. Des régions qui sont membres et qui payent leur cotisation, c'est 162 régions réellement membres de la CRPM sur les 271 régions européennes. C'est un panel qui est intéressant. Même si tout le monde n'y contribue pas de même manière, la CRPM représente dans le débat sur la politique de cohésion qui est en cours, une force significative. Je voudrais vous rappeler que la CRPM a 3 sujets : la cohésion, les dimensions maritimes et l'accessibilité. Il ne faut pas que nous allions sur d'autres sujets, d'autres organismes s'en occupent, le comité des régions en particulier. Mais nous sommes centrés sur ces trois facteurs qui identifient notre association.

[16] Nous sommes dans une actualité très forte, puisque la Commission vient de rendre publique le cinquième rapport de la cohésion il y a quelques jours. Par ailleurs, le cadre financier 2014-2020 se prépare. Les discussions, les positions des uns des autres commencent à se faire. Enfin, les dispositions législatives de la politique de cohésion au-delà de 2013 se préparent aussi. Le dernier point est que nous sommes dans la préparation de la stratégie 2020 de l'Europe avec une croissance intelligente, durable et inclusive.

[17] Face à tout cela, la CRPM a donné

of joint action. It is also true that we are appearing before this committee for another reason, and I shall be speaking more as the chair of the CPMR than the President of Brittany. Pierre Karleskind will be talking more about Brittany later on. I shall also be speaking as a rapporteur of the Committee of the Regions about its opinion on territorial cohesion, which was published some months ago, and is also relevant to what we are discussing today. I have been asked to talk for 10 minutes and I will try to go to the heart of the issue.

The CPMR is doing well. Wales is one of the historical members. We are taking our actions forward and we now have 162 member regions. Those member regions are not only the regions that have signed the charter, but also the regions that pay the fees. The CPMR has 162 members out of the 271 regions in Europe. It is a very interesting selection of regions. Although each region does not necessarily contribute to the same degree, the CPMR represents a significant force in the current debate about cohesion policy. I also want to remind you that the the CPMR relates to three main issues: cohesion, the maritime dimension and accessibility. We must not lose sight of that. Other bodies, such as the Committee of the Regions, for instance, can take care of other issues. We focus on the three issues that are associated with the CPMR.

We are very powerful, because the fifth cohesion report was released by the European Commission a few days ago. The financial framework for 2014 to 2020 is also in preparation. Discussions and viewpoints are beginning to emerge. We are also preparing for the legislative aspects of the cohesion policy beyond 2013. The final point is that we are currently preparing for the 2020 strategy, with a view to creating a Europe that has intelligent, sustainable and inclusive growth.

Beyond all that, the CPMR has, for some

un point de vue il y a quelque temps, sur la politique de cohésion et nous avons rendu notre position définitive vendredi dernier, puisque vendredi dernier se tenait le bureau politique de la CRPM. Par rapport aux propositions de la Commission dans le cinquième rapport, nous constatons des éléments positifs et des interrogations. Je vais les énumérer rapidement. Les éléments positifs sont le fait que, d'abord, la Commission estime que toutes les régions devront bénéficier de la politique de cohésion après 2013. Donc la posture politique, c'est de la politique de cohésion, ce n'est pas uniquement une assistance à des régions en difficulté. C'est aussi une mobilisation des capacités propres de chacune des régions pour son propre développement. Ça, c'est un point central, qui est acté pour l'instant par la Commission. Le deuxième élément positif est le lien avec la stratégie 2020, car on a bien constaté que s'il y a eu un échec réel de la politique dite de Lisbonne, c'est parce que cette politique n'avait pas été reprise par les territoires. Le troisième élément est la proposition d'un cadre stratégique à plusieurs fonds—le fonds européen de développement régional, le fonds social européen, le fonds européen pour la pêche, le fond européen agricole pour le développement rural—pour ensuite aboutir à des contrats de partenariat. Cela nous paraît utile, positif, correspondant à ce que souhaite la CRPM depuis longtemps. Enfin, le fait qu'il y ait des priorités restreintes pour une sélectivité dans les priorités pour rendre plus efficace l'outil d'intervention.

9.15 a.m.

[18] Enfin, sur la proposition de régions intermédiaires, entre les régions de la convergence et les régions de la compétitivité, en particulier pour celles qui sortent de la convergence, nous sommes favorables à une telle position. Nous l'avons dit sous réserve que la catégorie intermédiaire fasse parti de l'objectif de compétitivité et non pas un objectif nouveau spécifique. A l'intérieur de la politique de l'objectif de compétitivité, il y a des régions intermédiaires, le risque étant—nous pourrions en parler dans la discussion—que dans les arbitrages financiers s'il y avait trois objectifs identifiés, on oublie le troisième

time, expressed its opinion about cohesion policy and we stated our final position last Friday when the CPMR's political bureau met. In the European Commission's proposals in the fifth cohesion report, we have noted positive elements, but we also have questions. I would like to state them briefly. The first positive element is the fact that the European Commission believes that all regions, without exception, should benefit from the cohesion policy beyond 2013. Therefore, the political position is that cohesion policy is not just a question of providing assistance to less favoured regions, but a mobilisation of each region's capacity to foster its own development. That is a key point that has been recognised, at least for the time being, by the Commission. The second positive element is the link with the 2020 strategy, although we have noted that there was a failure of the Lisbon policy, because it was not adopted by the various territories. The third positive element is the proposal for a strategic framework with multiple sources of funding, such as the European regional development fund, the European social fund, the European fisheries fund and the European agricultural fund for rural development, resulting in partnership contracts. That appears to be a useful and positive development, which corresponds to what the CPMR has long wished for. The fact that there is a restricted number of priorities and a selective approach to them makes the tools for action more effective.

On the proposal for intermediate regions between convergence and competitiveness regions, especially those that are now coming out of convergence, we are very much in favour of this position, and have said so, subject to the intermediate category being part of the competitiveness objective, and not a new specific objective. Within the competitiveness objective, we should have intermediate regions. The risk is—and we can discuss this further—that, in the budgetary choices that are made, if three objectives are identified, the third will probably be dropped as a compromise. We can discuss that further if you wish.



pour des arbitrages de négociation de compromis. Je pourrai en reparler tout à l'heure si vous le souhaitez.

[19] Un autre élément positif dans la proposition que nous soulignons, c'est l'assistance sur la coopération territoriale, y compris sur l'émergence de macro-régions mais aussi l'assistance sur la coopération territoriale. Je parle comme Président de la Bretagne, et dans nos accords avec le pays de Galles, nous avons toujours insisté sur la nécessaire coopération territoriale entre nous et vous. Nous le faisons d'ailleurs sur plusieurs sujets, en particulier sur les questions environnementales. Mais le fait qu'il y ait un accent particulier sur la coopération territoriale nous paraît positif. Il y a, pour la CRPM, des interrogations.

[20] Premièrement, l'insistance donnée sur la mise en place, sur la mobilisation d'instruments financiers autour de prêts et non pas autour de subventions. C'est-à-dire le risque de voir arriver une logique de partenariat public-privé qui ne nous gêne pas, mais qui peut assécher la mise en place des fonds FEDER, FSE et d'autres. Il y a un point d'interrogation; il ne faudrait pas que l'ingénierie financière nouvelle élimine le dispositif des fonds structurels. Il y a donc une vigilance.

[21] La deuxième interrogation, la plus importante, le rapport de la cohésion—le cinquième rapport—nous dit qu'il y aura une conditionnalité macro-économique. C'est-à-dire que les régions dont les États membres ne répondent pas au critère du pacte de stabilité se verront amputées d'une partie de leurs ressources potentielles. Ça, ce n'est pas possible, puisque c'est la double peine. D'ailleurs, si on appliquait aujourd'hui cette logique, je ne sais pas à propos de votre région, mais ma région serait déjà amputée, puisque la France ne répond pas aujourd'hui au pacte de stabilité. Donc, il ne pourrait pas être souhaitable qu'il y est un pacte de stabilité tout à fait bien, mais qu'il y est des régions prises en otage de l'action des gouvernements. Ça ne me paraît pas bien.

[22] Ensuite, troisième interrogation, nous estimons qu'il y a une insuffisance de prise en compte dans le rapport de cohésion, que la

Another positive element in the proposal that we would like to emphasise is assistance on territorial co-operation. It includes the emergence of macro regions, but also assistance on territorial co-operation. Speaking as the President of the Brittany region, in our agreements with Wales, we have always emphasised the need for territorial co-operation between our two regions. There are several topics on which we are collaborating, particularly environmental questions. The fact that there is a particular focus on territorial co-operation is extremely positive. However, for the CPMR, a certain number of questions remain.

First, the emphasis that is placed on the implementation and mobilisation of financial instruments that are based on loans rather than subsidies. There is a risk that a public-private partnership rationale could arise. That does not annoy us too much, but it may lead to the drying up of funds such as ERDF, ESF and other funds. There are questions that need to be answered: I do not think that new financial engineering should result in the dissolution of the structural funds system. Therefore, we need to be very careful.

The second point, which is the most important, is on the fifth cohesion report. It says that macroeconomic conditionality will be imposed, which means that regions in member states that do not adhere to the criteria of the stability pact will see part of their potential resources cut off. We cannot accept that; it is a double sentence. If we were to apply that rationale today, my region—I do not know how it would apply to yours—would suffer cuts, because France does not comply with the stability pact. Therefore, it is not expedient that there is an effective stability pact, but regions are being held to ransom by the actions of their central Governments. That does not seem right to me.

The third point is that there is an insufficient focus on the maritime dimension in the cohesion report—it has been forgotten, to an

dimension maritime est un peu oubliée, elle n'est quasiment pas citée, alors que Barroso, lors de son arrivée à la tête de la Commission avait fait de la dimension maritime un vecteur important, qu'il y a eu du gros travail de fait. Il y a là, je pense, un essoufflement, un assouplissement qu'il convient de remettre sous l'ouvrage.

[23] Enfin, dernier point—je crois que j'aurais respecté mon temps—nous avons une interrogation aussi sur la place des villes dans le dispositif futur. Le rapport dit qu'il faut impérativement donner aux villes toute une place avec des dispositifs spécifiques, car c'est la question urbaine, la question centrale de l'Europe de demain. Oui, mais la CRPM dit si cela signifie que l'on enlève une partie des dispositifs financiers pour avoir des politiques spécifiquement urbaines, ça pourrait enlever les villes de la cohésion territoriale et la cohésion régionale. Donc, il est nécessaire d'avoir une clarification sur l'articulation de la politique urbaine dans la politique de cohésion. Voilà, quelques réflexions de la Conférence des Régions maritimes périphériques aujourd'hui.

[24] Il y a un document qui a été adopté vendredi, qui sera adressé à tout le monde, je peux vous le laisser. C'est à partir de cette base-là que nous allons continuer notre action auprès du Commissaire Hahn en particulier, mais aussi auprès du Président Barroso et auprès de nos propres gouvernements, les uns et les autres, des gouvernements, des régions membres de la CRPM pour faire valoir notre point de vue.

[25] **Rhodri Morgan:** Diolch yn fawr am eich cyfraniad y bore yma ac am gadw at amser.

**Rhodri Morgan:** Thank you very much for your contribution this morning and for keeping to the allotted time.

**Rhodri Morgan:** Un grand merci pour votre contribution. Je vous remercie également d'avoir respecté la durée de prise de parole.

[26] I now ask Mr Karleskind to speak for five minutes. Then we will have questions from the Members.

Nous allons à présent écouter M. Karleskind qui s'exprimera pendant cinq minutes. Puis les membres du conférence vont poser des questions.

[27] **Mr Karleskind:** Merci de nous recevoir. Tout d'abord, je voudrai rappeler, comme vous l'avez fait, le lien entre nos deux régions avec la signature en 2004 du

extent, and it is hardly referred to at all—despite the fact that Mr Barroso, when he came into the Commission, said that the maritime dimension was an important factor and that there is a lot of work to be done. It is losing momentum, which needs to be regained.

My final point—I think that I will have kept to my allotted time—is that we also have a lot of questions about the role of cities in the future system. The report states that cities must be given a full a role, with specific provisions, as the urban question is vital for the Europe of tomorrow. That is certainly true, but the CPMR says that if that means that part of the funding is removed and sent to specific urban programmes, that may mean that cities would be removed from territorial and regional cohesion. Therefore, clarification is needed on the links between urban policy and cohesion policy. Those are a few thoughts from the CPMR.

On Friday, a document was adopted, a copy of which will be sent to all of you. Based on that, we are going to continue working with Commissioner Hahn, in particular, as well as President Barroso and our own national Governments and the regional Governments—the regional members of the CPMR in order to assert our point of view.

**Mr Karleskind:** Thank you for having us. First, as you said yourself, I wish to remind you of the strong links between our two regions with the signing of the co-operation

protocole de coopération qui s'est décliné sous forme d'un plan d'action—et vous l'avez rappelé—qui a visé à renforcer les relations et les échanges entre nos institutions et les territoires. Je ne vais pas citer tous les domaines, mais je citerai tout de même le développement économique, les développements maritimes, l'éducation, la culture et l'information. Ce plan d'action prévoyait également un renforcement de nos liens dans le cadre de la Conférence des Régions Périphériques Maritimes, et notamment au sein de la Commission Arc-Atlantique. En ce qui concerne le plan d'action, nous l'avons voulu ensemble révisable et, d'ailleurs, un exercice de révision a été initié au sein des services techniques de la région Bretagne, en collaboration avec les services du gouvernement Gallois.

[28] Ce que nous souhaitons, c'est que cet exercice d'évaluation puisse aboutir à une révision et à une nouvelle proposition de plan d'action pour 2011. Nous avons identifié un certain nombre de thématiques sur lesquelles nous avons pu voir qu'il y avait des choses qui marchaient bien et d'autres sur lesquelles nous avons pu voir que les choses étaient plus difficiles. Parmi les domaines sur lesquels les échanges ont été les plus actifs, il y a évidemment le thème de la culture et de la langue, qui a donné lieu à beaucoup d'échanges très fructueux. Nous avons un nombre très important de jumelages de villes et de communes au pays de Galles et en Bretagne. Également, un thème qui a fort bien marché est celui de l'éducation, de la jeunesse et de l'enseignement supérieur, avec des relations entre nos universités qui sont importantes, et, pour la jeunesse, il y a des programmes de mobilité qui sont réussis.

[29] Sur des domaines moins actifs sur lesquels nous devons réfléchir, il y a les domaines de la recherche, et ceux du développement durable et des énergies. Nous savons que ce sont des domaines bien importants pour nous, et pour vous aussi, donc nous avons probablement quelque chose à faire ensemble. D'autres thèmes sont ceux de la santé et du nautisme, mais je ne vais pas tous les énumérer. Un autre axe de travail est peut-être l'inscription dans un phénomène européen qui est le fait de privilégier les

protocol in 2004, which, as you said, then became an action plan with the aim of strengthening the relationships and exchanges between our institutions and territories. I will not tell you about all of the fields in which we operate, but they include economic development, maritime development, education, culture and lifelong learning. The action plan also planned for a strengthening of our links within the CPMR, and notably within the Atlantic Arc Commission. We decided together when we signed it that the action plan should be subject to revision, and I think that a revision exercise within the technical services of the Brittany region has begun, in collaboration with the Welsh Government services.

We are very eager for the evaluation process to result in a new proposal for an action plan for 2011. We have identified a certain number of topics where we have seen that things were working well and other points where things were perhaps more difficult. I think that the most fruitful exchanges have been in the field of culture and language. There have been a great many very fruitful exchanges. Our twinning process that twins cities and villages in Wales and Brittany has been very fruitful. Another topic that has worked very well is education, young people and higher education, with very good relationships between our universities. There are mobility programmes between our universities that are working very well.

In the less active fields that we need to think about, we have research, sustainable development and energy. We know that these are key fields for you and us, and I am sure that we can do things together. There are also the fields of healthcare and nautical matters. I will not state them all, but another matter on which we should work, and which probably fits within a wider European framework, is the use of European networks and programmes to strengthen our relationships. I think that our regions should work together

relations à travers les réseaux et les programmes européens entre les régions. Je pense que dans ces programmes et ces réseaux européens, nos deux régions devraient être amenées à collaborer de façon plus importante.

[30] Pour expliciter ce que je veux dire à travers ces collaborations, les réseaux, les programmes européens, et les actions européennes, peut-être puis-je parler quelques instants de la stratégie maritime intégrée pour l'Atlantique, qui est un élément important. Nous sommes évidemment deux régions intéressées par ce programme. Suite à la consultation lancée par la DG-MARE de la Commission sur une éventuelle stratégie maritime pour l'Atlantique, la Commission est en train d'élaborer une communication. Aujourd'hui, les éléments que nous avons sur cette future communication nous montrent la volonté de la Commission de faire en sorte que la stratégie Atlantique vise à assurer une gestion efficace et optimale des ressources naturelles humaines et technologiques de la côte Atlantique de l'Union européenne. Un plan d'action, ou un pré-plan d'action, devrait être proposé.

[31] Un des points importants est le souhait apparemment affiché de la Commission de proposer aux parties prenantes de définir des plans régionaux directeurs. Et là, nous voyons que nous allons avoir des enjeux en commun sur ces sujets-là. Certaines des thématiques que la Commission va probablement vouloir proposer nous intéressent en Bretagne. J'imagine que cela vous intéresse également au pays de Galles. Je pense à l'environnement, à la croissance durable, l'exploitation des ressources naturelles, le développement de la technologie maritime, et la promotion des industries de services maritimes.

[32] Nous avons donc tout un ensemble d'enjeux que nous partageons et c'est pourquoi, dans le cadre de cette stratégie maritime intégrée, nous pensons que nous avons éventuellement des choses à faire ensemble. Donc, vous voyez que la coopération avec la Bretagne fait partie d'une relation historique entre nos deux régions. Elle a beaucoup marché d'ailleurs sur les

more within these networks and programmes.

To give an example of what I mean when I refer to these European actions, perhaps I could tell you about the integrated maritime strategy for the Atlantic, which is a very important element. Both our regions are obviously very interested in this. The DG MARE is starting to think about a new maritime strategy. The Commission is working on that, but the initial elements that we have with regard to this communication show that there is a strong desire in the Commission to ensure that the Atlantic strategy results in the optimal management of the human, technological and natural resources of the Atlantic coast in the European Union. Therefore, an action plan, or a pre-action plan, should be appearing.

An important point is the desire that the Commission seems to have to offer stakeholders the ability to define regional plans. I think that in that regard we will see a certain number of challenges arise for us that we will have in common. The Commission will probably suggest a certain number of measures that we could be interested in, such as sustainable growth, the exploitation of natural resources, maritime technology, and the promotion of maritime service industries.

Therefore, there are quite a few challenges that we have in common, and that is why, within the framework of the integrated maritime strategy, I believe that there are probably things that we can do together. Therefore, you can see that co-operation with Brittany has its origins in history, and has been driven by cultural matters. However, these points show that we can be forward

thématiques de la culture. Nous voyons aussi que nous avons des enjeux futurs communs, et c'est pour cela que nous pensons au cours de cette année pouvoir avancer sur ces sujets et proposer un nouveau plan d'action.

[33] Voilà, Monsieur le Président, les éléments autour de cette relation. Je suis à votre disposition pour toutes questions.

[34] **Rhodri Morgan:** Thank you, Pierre. We have limited time for Members' questions. I will ask the first question, which is to Jean Yves.

[35] Does the CPMR believe that this category above convergence for assistance, where the GDP per head is more than 75 per cent, should essentially be an intermediate and permanent category for regions that are in difficulties which are not as acute as in the convergence regions, or should it be a transitional arrangement for those regions that used to be convergence regions and have then gone above the 75 per cent, which would be similar to the tapering off assistance that currently exists? Is it an intermediate category or a transitional category?

[36] **Mr Le Drian:** Cette question est très importante. Dans notre espèce, elle est une catégorie intermédiaire. La nouveauté est de prendre en considération les régions qui sortent de la convergence; si elles passaient tout de suite dans l'objectif de compétitivité, cela aurait des dégâts importants. C'est pour cela que c'est une zone intermédiaire. La nouveauté est aussi de prendre celles qui aujourd'hui sont dans la compétitivité et qui ne sont que entre 75 et 90 pour cent de la moyenne du produit intérieur brut européen. Il ne peut pas y avoir avec les mêmes ressources des régions à statut différent. C'est pourquoi c'est le concept de zone de région intermédiaire.

[37] Nous sommes très fermes là-dessus, contre l'avis de certains de nos propres gouvernements. Le gouvernement français, par exemple, n'est pas très favorable à cela pour plusieurs raisons, en particulier parce que son souci est d'abord la PAC, plus que la cohésion. Mais d'autres gouvernements ne sont pas de cette logique-là, alors qu'elle me

looking, because these issues have an influence on our future, which is why we should strengthen our co-operation in this field.

That is what I wanted to say, and I would be more than happy to answer any questions.

**Rhodri Morgan:** Merci, Pierre. Les membres n'ont pas beaucoup de temps pour poser des questions. Je vais poser le premier question à Jean-Yves.

Est-ce que le CRPM est d'avis que la catégorie que l'on trouve au-dessus de la convergence pour obtenir de l'assistance, où le PIB par tête est supérieur à 75 pour cent, devrait être intermédiaire et permanente pour les régions qui sont en difficultés mais des difficultés qui ne sont pas aussi aiguës que celles dans les régions de convergence, ou est-ce qu'il faut que ce soit un statut transitoire pour les régions qui sont passés au-delà de 75 pour cent, ce qui serait similaire au système de transition qui existe actuellement? A votre avis, est-elle une catégorie intermédiaire ou transitoire?

**Mr Le Drian:** That is an extremely important question. In our view, it is an intermediate category. What is new is that we should now factor in regions that are coming out of convergence; if they were to move directly into competitiveness objectives, they would suffer terribly. That is why it is intermediate. It should also include those who qualify for competitiveness funding at present, but who are only between 75 and 90 per cent of the average European GDP. You cannot have, with the same resources, regions with different statuses. That is why we have this idea of intermediate status.

That is our opinion, and we are going against our own Government. The French Government is not in favour of this, for many reasons, but particularly because its main concern is the common agricultural policy, rather than cohesion. However, other Governments do not think like that, and it is very important for the CPMR. I am talking

paraît pour la CRPM très importante. J'en parle d'autant plus librement que ma région n'est pas concernée, ni d'une manière, ni d'une autre, mais il importe pour la solidarité que nous créions cette catégorie.

freely about it because my own region is not concerned, but I think that, for solidarity, it is very important to create this category.

[38] **Rhodri Morgan:** Thank you. Jeff Cuthbert has the next questions.

**Rhodri Morgan:** Merci. Les prochains questions sont ceux de Jeff Cuthbert.

[39] **Jeff Cuthbert:** The question that you asked, chair, was similar to the one that I was going to ask, so I can save time by waiving it.

**Jeff Cuthbert:** Merci, on va gagner un petit peu de temps, puisque la question était très similaire à la vôtre.

[40] **Rhodri Glyn Thomas:** Mae gennyf gwestiwn ynglŷn â sut y mae Cynhadledd y Rhanbarthau Morol Ymylol yn dylanwadu ar bolisi yn yr Undeb Ewropeaidd. Mae hwn yn amser eithriadol o bwysig. Mae trafodaethau ar y gweill ynglŷn â'r polisi cydlyniant, adolygiad cyllideb yr Undeb Ewropeaidd, a'r polisi amaethyddol cyffredinol. Sut ydych yn dylanwadu ar yr hyn sy'n digwydd ym Mrwsel, a sut, ac i ba raddau, mae Llywodraeth Cymru yn cyfrannu at hynny?

**Rhodri Glyn Thomas:** I have a question regarding how the Conference of Peripheral Maritime Regions influences policy in the European Union. This is an extremely important time. Negotiations are ongoing on the cohesion policy, the review of the European Union budget, and the common agricultural policy. How do you influence what happens in Brussels, and how, and to what extent, does the Welsh Government contribute towards that?

**Rhodri Glyn Thomas:** J'ai une question qui concerne comment la Conférence des Régions Périphériques Maritimes influence sur le travail européen. Nous sommes dans une période très importante. Il y a des négociations sur la politique de cohésion, le budget européen et la PAC. Comment est-ce que vous pouvez influencer sur ce qu'il se passe à Bruxelles, et de quelle façon le gouvernement Gallois peut-il contribuer à cela?

9.30 a.m.

[41] **Mr Le Drian:** Sur la PAC, la Conférence des Régions Périphériques Maritimes est moins concernée. Nous privilégions la cohésion, l'accessibilité et la politique maritime. La PAC n'intervient qu'en second élément, parce que les régions périphériques maritimes ont souvent les mêmes préoccupations, mais pas toujours. Je crois que la Bretagne et le pays de Galles ont des approches communes sur la politique agricole, mais il est possible que des régions périphériques aient des approches différentes. Par contre, sur le trépied, c'est très important.

**Mr Le Drian:** Regarding the common agricultural policy, the Conference of Peripheral Maritime Regions is not so concerned by that. We are focused on cohesion, accessibility and maritime policy. The CAP is only a secondary element, because the peripheral maritime regions often have similar concerns, but not always. Brittany and Wales, with regard to the common agricultural policy, have common approaches that other peripheral regions may not have. However, if we look at our essential tripod, then that is important.

[42] Nous avons un rôle de « lobbying » très fort, parce que, historiquement, nous sommes la première association de régions qui s'est créée, et le pays de Galles était partie prenante dès le départ. Notre rôle consiste à faire valoir auprès du Parlement Européen, auprès de la Commission et aussi

We have a powerful lobbying role. Historically, ours was the first association of regions to come into existence, and Wales was a stakeholder from the beginning. Our role is to talk to the European Parliament and Commission and to our respective national Governments about what our positions are,

auprès de nos gouvernements respectifs les positions que nous prenons à l'unanimité généralement. Ce que je viens de dire tout à l'heure a été prise à l'unanimité vendredi dernier. Ensuite, il faut être vigilant dans la mise en œuvre. Nous ne sommes pas toujours écoutés, mais je crois que nous sommes souvent écoutés, en particulier par les commissaires qui peuvent d'ailleurs s'appuyer sur nous parfois pour peser sur les gouvernements. Voilà, c'est ce rôle-là, et cette force-là.

[43] Comment le Pays de Galles peut-il nous aider? D'abord, il peut le faire avec sa représentation à Bruxelles, et nous avons des relations régulières avec vos collaborateurs à Bruxelles; et ensuite en étant acteur présent physiquement quand il y a des manifestations importantes. C'est déjà le cas avec votre Premier Ministre, qui participe à certaines réunions importantes de la CRPM auprès de la Commission. Donc, notre collaboration est bonne; il faut continuer comme cela, parce que nos intérêts sont communs.

[44] **Nick Bourne:** I apologise for being a bit late. Thank you for the presentation. Based on your presentation, my question might be more for Pierre than Jean Yves, because it is about collaboration between Brittany and Wales, particularly on the higher education front. Many advantages may flow from that, with regard to joint research, joint industrial effort and so on, and so I wondered what links you are fostering or seeking to foster to enable us to co-operate. As far as students are concerned, the fees regime for French students in Wales is more attractive than for English students, if I can make that plug. So, that may be worth considering.

[45] **Mr Karleskind:** Merci de cette question et de cette remarque sur la différence de traitement entre nos étudiants selon qu'ils sont Bretons ou Gallois. Ce que nous recherchons, sans aller dans le détail technique de la façon où nous recevons les étudiants, c'est évidemment de créer les synergies sur les thématiques qui nous sont

which are usually unanimously voted upon. For example, what I told you about with regard to last Friday was a unanimous position. We need to be careful about how things are implemented. They do not always listen to us, but they very often do, particularly the commissioners. Indeed, the commissioners sometimes use our skills in order to exert influence on national Governments. That is its role and its strength.

So, how can Wales help us? It can do so through its representation in Brussels. We have regular contact with your staff in Brussels. We also need to be physically present when important events are held. That is already the case with your First Minister, who is already very much involved in important meetings of the CPMR at the Commission. So, our collaboration is good; it just needs to continue, because we have interests in common.

**Nick Bourne:** Merci beaucoup et je suis désolé d'être arrivé un petit peu en retard. Là, je pense que c'est une question peut-être plus pour Pierre que pour Jean-Yves; c'est une question qui concerne la collaboration entre la Bretagne et le pays de Galles, particulièrement dans le domaine de l'éducation supérieure. Peut-être que l'on aura énormément d'avantages qui peuvent en découler sur la recherche etc., et je voulais savoir quels étaient les liens que vous cherchiez à encourager pour que nous-mêmes de notre côté puissions peut-être coopérer mieux, surtout pour ce qui concerne les étudiants. Par exemple, les conditions financières qui sont proposées aux étudiants français au pays de Galles sont plus intéressantes que celles qui sont proposées aux étudiants anglais. Il faut peut-être réfléchir à cela.

**Mr Karleskind:** Thank you for that question on the different treatment of Breton and Welsh students. Without going into too much technical detail, I can tell you that we are looking to create synergies on topics that are of common interest—I think that we have topics of common interest. Yesterday we visited the University of Glamorgan, where

communes. Je pense que nous avons justement des thématiques communes. Nous étions hier dans le cadre de notre visite dans une université où nous avons rencontré des thématiques qui concernent également la Bretagne, sur les énergies renouvelables et les batteries. Nous savons que ce dont je parlais tout à l'heure sont nos enjeux communs pour le futur. Donc, nous avons à mettre en place les politiques de formation qui permettront à nos étudiants de répondre justement à ces enjeux.

[46] Pour rentrer dans des thèmes peut-être plus particuliers, comme je l'ai dit, les énergies renouvelables sont un élément que nous souhaitons développer, que ce soit la recherche, l'industrie, ou également l'enseignement, la formation continue tout au long de la vie, et l'enseignement supérieur. Sur les éléments liés à l'agro-alimentaire, nous avons également des choses à faire valoir. Je pense que vous avez également des choses à faire avancer. Ce sont les éléments de façon globale. Nous savons effectivement que la mobilité étudiante reste un petit peu déséquilibrée. Ceci dit, peut-être est-ce lié au problème de langue aussi. L'anglais est plus fréquemment appris en France que le français au pays de Galles. Mais, évidemment, nous avons à y réfléchir de façon à ce que les échanges soient de réels échanges et que nous puissions gagner chacun de ces échanges.

[47] **Mr Le Drian:** J'ai juste un point de complément. Pour nos relations—là je parle comme Président de la Bretagne—l'opportunité serait que, dès qu'il y a une possibilité de s'inscrire dans un réseau européen, nous puissions, Pays de Galles et Bretagne, identifier avant notre possibilité d'agir en commun. Qu'il n'y ait pas un seul réseau européen proposé aux régions européennes qui n'échappe à notre vigilance commune et à notre action commune. Nous le faisons déjà beaucoup, mais nous devrions le faire d'avantage, en particulier dans l'enseignement supérieur et de la recherche.

[48] **Rhodri Morgan:** I have one final question on this intermediate and transitional assistance. As I understand it, if the 75 per cent of GDP per head criterion remains in force, the numbers of people living in regions eligible for convergence will drop from 170

we discussed issues relating to renewable energy and batteries, which is of great concern to Brittany. We know that we have future challenges in common, and therefore we must implement common higher education systems that can help our young people to face these challenges.

To go into a little more detail perhaps, renewable energy is something that we are eager to develop, in research, industry, lifelong learning and higher education. With regard to the agri-food sector, I think that both of our regions also have things to do in that regard. These are just the very basic elements. We know that there is a slight imbalance in student mobility, which is perhaps due to a language problem. It may be that English is being learned more in France than French is in Wales. We need to think of ways in which we can make these exchanges fruitful so that we can all learn from them.

**Mr Le Drian:** In addition to what Pierre said about our relations—and I am speaking as President of the Brittany region—I think that, as soon as the possibility arises of entering into a European network, Brittany and Wales should try to identify the means by which we can work together within it. We need to keep an eye open for all of these networks, join them and work together, especially in the field of higher education and research.

**Rhodri Morgan:** J'ai une dernière question sur cette assistance intermédiaire ou transitoire. Si je comprends bien, si le critère de 75 pour cent du PIB reste en vigueur, le nombre de personnes dans les régions éligibles à la convergence passera de 170



million, or one third of the population of the European Union, to 120 million, which is one quarter—that is for freakish statistical reasons to do with the eastward expansion of the community. The proposition is to have an intermediate category that would put back that 50 million or 60 million by using 90 per cent of GDP per head as the criterion. Could you confirm that that is roughly the same calculation that the CPMR is using? What would happen if this intermediate category were to be created?

millions, c'est-à-dire un tiers de la population de l'Union Européenne, à 120 millions, ce qui est un quart de la population—pour des raisons statistiques un peu bizarres de l'expansion vers l'est de la communauté. La proposition de cette catégorie intermédiaire permettrait de ré-inclure ces 50 millions ou 60 millions en utilisant 90 pour cent du PIB pour la définition. Est-ce que vous pouvez confirmer que c'est à peu près le même calcul qui est utilisé par la CRPM? Qu'est-ce qui se passerait si l'on créait cette catégorie intermédiaire?

[49] **Mr Le Drian:** Nous disons aussi, par rapport à la question financière, qu'un tel dispositif permet de rentrer dans le cadre d'un niveau financier à peu près équivalent à celui que nous avons aujourd'hui, mais organisé autrement. Donc, c'est vertueux. Mais il ne faut pas tendre le piège, au moment des arbitrages définitifs, de laisser une opportunité pour les compromis à enlever une partie des fonds structurels, par exemple pour les régions qui vont mieux. Donc, il importe que les trois catégories soient bien soudées. Mais, le montant financier reste le même, donc c'est vertueux.

**Mr Le Drian:** What we are also saying concerning the financial conditions is that such a system would allow us to enter the framework of a more or less equivalent financial system, organised in a different way. It would be a virtuous development. However, when the final financial decisions are made, we must not fall into the trap of leaving an opportunity for compromise on removing part of these structural funds—for instance, getting rid of them for regions that are doing better. It is important that the three categories remain closely interwoven. In terms of the sums, however, they are staying the same, so that is virtuous.

[50] **Rhodri Morgan:** There is a high degree of agreement between the views taken by this committee and the views that you have presented this morning from the CPMR. I am grateful for your views and for your visit, and it is wonderful to see you again. It is great that you have been able to come to this committee, which is now in its last few months at the end of this third Assembly.

**Rhodri Morgan:** Je crois que l'on est tout à fait d'accord. Je crois que les visions de ce comité et le point de vue de la CRPM présenté ce matin sont extrêmement convergentes. Donc, je suis très content que vous soyez venu, c'est un grand plaisir de vous revoir. Nous sommes très contents que vous ayez pu assister à ce Comité alors que nous arrivons au terme du débat du troisième mandat de cette assemblée.

[51] Merci bien pour votre présence et présentation ce matin.

Thank you for your attendance and your presentation this morning.

[52] **Mr Le Drian:** Merci beaucoup de votre accueil et du plaisir de continuer à travailler ensemble.

**Mr Le Drian:** Many thanks for your warm welcome; we look forward to working with you further.

9.39 a.m.

### **Blaenoriaethau ar gyfer Llywyddiaeth Hwngari yn yr Undeb Ewropeaidd Priorities of the Hungarian Presidency of the EU**

[53] **Rhodri Morgan:** Good morning, ambassador. Please make yourself at home. I will ask you to introduce your team in a second or two, but please take your time to settle in. The

session that we just had was trilingual, in Welsh, English and French. This session will be in just two languages—English and Welsh. We have no facilities for translating Hungarian.

[54] **His Excellency, Mr Csák:** Hungarian and Welsh are very similar, so we might understand each other. Just kidding.

[55] **Rhodri Morgan:** We are all well aware of the famous Hungarian poem about Wales, which many Hungarian children learn in school, namely ‘*A Walesi Bárdok*’. I understand that it was written as a coded attack on the Habsburgs for what they did to Hungarian culture.

[56] **HE Mr Csák:** The Hungarian revolution was beaten, and then, 15 years later, the Austrian Emperor visited Hungary, and the story of the poem uses the metaphor of the time when the English king came to Wales and there was no-one to sing his praises.

[57] **Rhodri Morgan:** I ask you introduce your team, including the newly appointed ‘hon-con’, the honorary consul, Alun Davies, who is well known to many of us. We would be grateful if you could then give a presentation so that we can discuss Hungarian priorities for the presidency. Ambassador, the floor is yours.

[58] **HE Mr Csák:** Good morning and thank you for receiving us. I will introduce my team. On my left is Klára Breuer-Rudas, who is the deputy chief of mission. Klára is a seasoned diplomat and has been in London for four years now, and she is a great help to me. I started my work two weeks ago, and joined the foreign service on 1 January of this year. Before that, I was in business all my life. Therefore, this is a very new experience for me. On my right is Péter Horváth, who is the head of the commercial section at the embassy. Péter has been involved in trade development and investment development his whole life. He is a seasoned professional who knows all the regions of the UK very well. It is a privilege to introduce Alun Davies—although I know that I do not need to introduce him. Yesterday, we had a nice inauguration on the other side of the bay, and we are proud that we have such a distinguished Welsh businessman to help not only business, but the cultural and political links between the two countries. We honoured Sir Geoffrey Inkin, who was our honorary consul for 12 years. It was like a meeting of old friends.

[59] **Rhodri Morgan:** We are all very pleased to see Alun Davies, who has succeeded Geoffrey Inkin. In his better-known position so far as secretary of the Cardiff Business Club, when he makes his announcements on business, I am sure that he will put in a plug for Hungarian-Welsh trade on every suitable occasion. Anyway, congratulations, Alun.

[60] **HE Mr Csák:** I have a business club in Budapest as well, and we have talked about the fact that we have to exchange speakers, and to establish lines of business. Yesterday there was a meeting with the Lord Chief Justice, and three people came up to me to say that we should do something about Welsh-Hungarian business. So, it is a jump start. If you will allow me, I will read out some introductory remarks, and then I will take your questions.

[61] It is an honour for me to appear, as ambassador of the country that has taken on the rotating presidency, before the Committee on European and External Affairs of the National Assembly for Wales. I am pleased that, during my visit to Cardiff, I shall have the opportunity to meet several leaders in Wales. We find it important to strengthen relations between Wales and Hungary, and that is why we appointed yesterday the highly regarded Welshman, Mr Alun Davies, as honorary consul of the Republic of Hungary in Wales. We believe that cultural diversity is one of the most important elements in the presidency, and in general, because we believe that cultural diversity helps to create a stronger Europe.

[62] Holding the rotating presidency for the first time is of historic importance for Hungary, placing an enormous responsibility on us but also opening up great opportunities to

us and all Europeans. The Hungarian presidency concentrates on four main areas. The first is growth and employment; the second is preserving European social achievements; the third is strengthening Europe, with a union that is closer to its citizens; and, last but not least, the enlargement and neighbourhood policy.

9.45 a.m.

[63] After the first six weeks of our presidency and after the first European Council meeting during our term, it was really gratifying to note that our programme and work have been well received and supported by many European leaders. We are dedicated to continuing our work to help to reach a consensus among member states on different topics as well as co-operating with other institutions of the union.

[64] The Hungarian presidency did not choose the motto 'a strong Europe with a human touch' by chance. We believe that Europe can be strong only if it listens to the people behind the economic issues. People have more than just material needs. A strong Europe is based on strong values, strong institutions, and strong co-operation inside. This is the Europe that can play a significant role internationally, beyond European borders. With our work, we are dedicated to serving this strong Europe. In the first place, there is the European economic recovery, as growth, employment and job creation are of the utmost importance to us all. There is a close connection between the reform of economic governance, the creation of the European stability mechanism and the implementation of the European semester and the Europe 2020 strategy.

[65] The wish for a more competitive Europe based on sustainable growth with job creation brings in many long-term issues that we need to tackle within Europe. We need to tackle demographic questions, migration, poverty, and, in particular, child poverty, in Europe, and the integration of the Roma and other parts of the population that are lagging behind the average. In line with the trio presidency programme, the Hungarian presidency wishes to put these issues into focus. However, life always overrides programmes. This has happened in our presidency as well. The recent European Council meeting understandably shifted towards the most topical issues of the eurozone and competitiveness. Nonetheless, the original objectives of this European Council remain important priorities for the Hungarian presidency. Those are energy policy and innovation, because we need to do more to boost Europe's innovation potential in order to tackle the most critical social challenges that Europe faces. Completing the European research area, improving framework conditions for innovation, facilitating access to finance, and simplifying and rationalising EU programmes are all important elements of this work. Likewise, in the field of energy, the key words are 'safety', 'security', 'sustainability' and 'affordability', and it is important to note that the recent European Council meeting agreed that a common energy market will be essential to this effect.

[66] For the future of our union, we need good and substantial discussion on our common policies and future plans. We believe that a policy-driven budget of the EU would serve the interests of the member states. The presidency programme is based on the human factor. The overarching goal of the Hungarian presidency is to put Europe at the service of its citizens. We must demonstrate that the EU can improve the lives of its everyday citizens effectively. European citizens want an efficient European Union that is able to respond quickly to the new challenges. This necessitates strong and smooth co-operation among all of the institutions of the union. A strong Europe implies strong institutions and strong member states working together for the common cause. The Hungarian presidency is dedicated to this objective.

[67] Mr Chairman, ladies and gentlemen, this is the aim for the next six months, minus the already elapsed six weeks. I am here to answer all of your questions. Thank you for your attention.

[68] **Rhodri Morgan:** Thank you very much for your presentation. I will kick off. Can you explain to us how the new system works whereby we now have Herman Von Rompuy as President of the European Council—I am not sure what his exact title is—and Cathy Ashton as the high official responsible for foreign and security affairs? In terms of the response to what is happening in Egypt and Tunisia, the Tunisian refugees flooding into Lampedusa, the illicit moneys of the Ben Ali or Mubarak regimes, and so forth, and how to stop those being taken out of the country, does the European Council, in terms of the Hungarian presidency, deal with those, or are they now dealt with by Mr Von Rompuy's office and by Cathy Ashton?

[69] **HE Mr Csák:** The Lisbon treaty is a new phenomenon in Europe. European history was basically a history of strong competing nations. Therefore, when we want to pool them together in different institutions it always takes time to work together. Right now, Lady Ashton is negotiating in New York and other capital cities about what to do in this new situation in North Africa. In the meantime, the economic interests of the different European countries are quite different. This is why it is hard to achieve a Europe-wide position other than saying that we want a peaceful position and a peaceful transition in these countries.

[70] Lady Ashton works for Mr Rompuy, the President of the European Council, but the Commission also works for him. As you know, the European Parliament is starting to show some of its intentions of being brought into these kinds of discussions in a much bigger way. The concept of the presidency is that we facilitate the discussions. We try to bring together the different points of view and try to develop a new position. It is really hard because there are material economic interests in each and every country with regard to this region. Before the events in Egypt broke out, my Prime Minister went to see the then President Mubarak. I am sure that he is giving his insights as to what is going on and what will happen in Egypt.

[71] **Rhodri Morgan:** Thank you. Jeff Cuthbert has the next question.

[72] **Jeff Cuthbert:** Thank you, your Excellency, for your comments and for the paper that we received. You mentioned that one of your priorities was growth and employment, which is the area to which my question relates. I refer to section 7 of your paper, which looks at employment and social policy. You refer quite rightly to the issue of the alarmingly high rates of unemployment among young people, in particular, although we could say that those could now affect workers of all ages. I have a particular interest in that I chair the programme monitoring committee for Wales for the spending of the structural funds. I want to know what your attitude is in terms of dealing with youth unemployment and linking it to the spending and availability of structural funds. Most of Wales qualifies for convergence funding, and parts of Wales qualify for competitiveness funding. Obviously, we are concerned about what the attitude might be once the current round of funding ends. We do not know yet whether Wales will qualify for another round of full convergence or some form of transitional funding. So, do you have any views about what might be available in transitional funding, once the current round ends, particularly for regions of otherwise wealthy countries?

[73] **HE Mr Csák:** Thank you for the question. If I may, I will first answer on the rotating presidency position and then elaborate a little on the Hungarian position, because they are different. The Hungarian presidency is working on the financial crisis, which had implications for unemployment, but unemployment, as you rightly said, already existed before the financial crisis. The second issue is how we generate growth on European soil. During the presidency, one of our priorities is to strengthen economic governance in Europe, so, for this semester, to ensure that we have a methodology whereby the budgets and reform plans of the different nations are aligned and harmonised with European plans. That is a mechanism that I believe that we will be able to set up by May or June, before the end of the Hungarian presidency.

[74] I am afraid that we will not be able to start the discussion on the budget for the next seven years. That will remain a matter for the following Polish presidency. However, we are having discussions with all member states as to what we are doing. You will remember that some of the heads of nations wrote a letter to the Commission to that effect. I think that each and every country will show its cards during that process; it is too early now.

[75] As to the Hungarian position, Hungary had been waiting for entry to the EU for a long time. Since entry, we have become a beneficiary of the different convergence programmes. We like to think about convergence and cohesion in the way that western Europe talked about the Marshall plan after the second world war. Europe was a war-ridden continent, where millions of people had died, industries and stamina were ruined and there was a need for financial help to rebuild the ruins and to prosper. The Americans came and did it. In central Europe, not only in Hungary, people believed that, after communism, which was a political, economic and moral disaster for us, it was just and right that the region got a helping hand from our friends, from people from the same culture who could afford it, to get out of that situation.

[76] That is important, because, in Europe, we believe in the free movement of people and labour, but the best thing is for people to live a good life where they were born. We do not want a huge number of people to migrate from here and there, because, if we are talking about agriculture, that will mean that those regions are left uncultivated and will no longer be Europe, because no-one will be left. From an employment point of view, a small fraction of Europeans work in agriculture, but huge amounts of land, the countryside of many countries, are basically built on agriculture. When you want to cut back agriculture subsidies, you have to think about food security. That is, if something happens globally and your country cannot sustain itself with food production, what will happen? I do not want to draw negative pictures; I am just using that as an example. Secondly, what will the cost be if we allow agricultural businesses to go bankrupt? What will the implications be for employment and quality of life in those regions? People will migrate away from them. I say this not just because we are beneficiaries of these schemes; we have fundamental philosophical reasons for championing the cohesion and agricultural funds.

10.00 a.m.

[77] **Rhodri Glyn Thomas:** Wrth ymateb i gwestiwn Jeff Cuthbert, bu ichi wahaniaethu rhwng safbwynt Hwngari yn ystod ei chyfnod o lywyddiaeth yn Ewrop a pholisi gwladwriaeth Hwngari. Pan yr oeddech yn sôn am flaenoriaethau Hwngari, bu ichi sôn am gymunedau gwledig, y peryglon o ran newidiadau demograffig a phobl yn symud, a hyd yn oed hyfywedd y cymunedau hynny i'r dyfodol. A fydd hynny hefyd yn cael ei adlewyrchu yn ystod eich llywyddiaeth? Ar hyn o bryd, mae trafodaethau ynglŷn â'r polisi amaethyddol cyffredin a, fel y dywedasoch, y polisi hwnnw a'r taliadau sy'n deillio ohono yw'r modd i gynnal ein cymunedau gwledig a sicrhau nad yw pobl yn gadael y cymunedau hynny, gan adael iddynt fynd yn gwbl ddiffaith. A fydd hynny yn cael ei adlewyrchu yn ystod eich llywyddiaeth?

**Rhodri Glyn Thomas:** In your response to the question from Jeff Cuthbert, you differentiated between the Hungarian standpoint during its presidency in Europe and the policy of the Hungarian state. When you talked about Hungary's priorities, you talked about rural communities, the risks in terms of demographic changes and people moving, and even the future viability of those communities. Will that also be reflected during your presidency? Currently, there are discussions about the common agricultural policy and, as you said, that policy and the resulting payments are the means of maintaining our rural communities and ensuring that people do not leave those communities, allowing them to become completely desolate. Will that be reflected during your presidency?

[78] **HE Mr Csák:** Yes, definitely. The country that holds the presidency of the European Union is just a facilitator and an integrator of different opinions, and its role is to keep the ball rolling. While we have the presidency, we have our own position. The representatives of the Hungarian Government make it clear that we have good reasons to keep the cohesion and agriculture policies for the time being. However, we have to differentiate these two positions, because it is like the difference between chairing a meeting and sitting on one side of the table. The Hungarian position is clear in both cases, with regard to cohesion and agriculture policies.

[79] **Nick Bourne:** Thank you, Your Excellency, for your presentation and I congratulate Hungary on its presidency. During your presentation and in the detailed paper that we received, you referred to enlargement as something that successive UK Governments have been in favour of. There is a suggestion that negotiations with Croatia may conclude successfully during your presidency. Could you update us on the general position? We have touched on CAP and cohesion, which are vital to Wales, but, overall, for the whole of the EU, the enlargement process is important, particularly the position vis-à-vis Turkey. Could you give us more detail on how you see that situation and how it is developing?

[80] **HE Mr Csák:** Thank you for the question because it allows me to praise the British position over the last 20 years. The UK has always been supportive of enlargement. As we all know, historically, there has always been tension in the Balkans, including the western Balkans. This is why it is vital to our interests that we bring in those countries. The negotiations with Croatia are going very well. There are four chapters left. The Croatians have done a very good job of tackling organised crime and corruption; they did everything that they could. I am not sure that we will be able to sign the documents with Croatia during the Hungarian presidency, but I am sure that in the second part of the year, during the Polish presidency, we will be able to. There is strong support from the UK.

[81] Serbia is the next question. I will talk about Serbia first and then Turkey. Serbia is important for Europe. Right now we have the visa waiver programme and it is important that Serbian businesspeople, students and young people can come over to western and central Europe to see how liberty, prosperity and the rule of law work. It is they who should vote for the right Government for themselves. This is why we as Hungarians, and the UK Government, are pushing to enable Serbia to meet the criteria. Our belief is that we have to provide a level playing field for all the candidate countries and if they can meet the defined criteria, we will have to take them in.

[82] That leads me to the question of Turkey. It has been a long process and we know that there are many countries in Europe that are not that keen to have Turkey in the union. Our position is that there should be a level playing field. If Turkey can measure up to the criteria that we set, there is no reason why it cannot be a member. Remember, when we took Romania and Bulgaria, we knew that they had a long way to go on quality of life, economic development and so on. However, there are economic and global political interests here, and the Black Sea is an important region. We know about developments in the Muslim world and, from that point of view, Turkey is of the utmost importance. Turkey is our ally in the North Atlantic Treaty Organisation, and politics, the military, economics and culture are the checkpoints that we have to think about. There is no position vis-à-vis Turkey yet, but the British position and the Hungarian position are very close to each other.

[83] **Rhodri Morgan:** There is one final question from me. On the matter of how to achieve full social inclusion of the Roma and of ethnic minorities, and where that fits in with the issues of youth unemployment, over-50s unemployment and the generality of excessively high unemployment in recovering from the big recession or depression of 2008-09, we have heard similar views expressed by László Andor, the Commissioner for Employment, Social Affairs and Inclusion. How do you balance the issues concerning the Roma and ethnic

minorities—what you might call the social inclusion side of this—with the general battle against unemployment being too high and the lack of training opportunities that leads to that?

[84] **HE Mr Csák:** As you rightly pointed out, the Roma issue is not one of ethnicity; it is about social inclusion. When unemployment hits people, it means that, regardless of their background, they decline into poverty and it is hard to come back. In our position, we believe that education is the first and most important thing in tackling unemployment. We have to do a better job to ensure that the Roma and the other social groups that lag behind have a fair chance of education. In Europe, there are 10 million to 12 million Roma. Some of them are settled and others are still roaming. Roaming is not the best condition to benefit from permanent education and I do not believe that this issue can be solved by Governments or by Brussels. We have to work with civil society, churches and local communities. There are successful examples in rural areas of Hungary where Roma communities are making great progress in getting out of that situation.

[85] With regard to youth unemployment and unemployment within more mature generations, I have to say that Governments do not create jobs; private enterprises create jobs. I do not think that we have to harmonise tax rates throughout Europe, but we have to decrease the administrative and tax burdens on businesses, so that small and medium-sized businesses can grow. That means that we will have more taxes that Governments will be able to use to help the communities that are lagging behind. However, we should not fool ourselves that Governments create jobs. We must let business create jobs. Governments can do a lot in education and in helping to create a good economic regulatory environment that enables free enterprise to flourish. We must reduce the burden of administration and patent regulations, or at least harmonise them. We are championing those kinds of steps.

[86] **Rhodri Morgan:** Thank you for your presentation this morning, Your Excellency. I also thank your staff and Alun Davies, your new honorary consul. You will be sent a transcript of today's meeting for you to check for accuracy. We are grateful for your presence and for your excellent presentation and answers to our questions. Thank you very much. Diolch yn fawr.

10.13 a.m.

**Prif Weinidog Cymru: Y Wybodaeth Ddiweddaraf am Ddatblygiadau yn yr Undeb Ewropeaidd**  
**First Minister for Wales: Update on EU Developments**

[87] **Rhodri Morgan:** Dyma'r cyfle yr ydym yn ei gael bob tymor i ofyn cwestiynau i'r Prif Weinidog ac i'w staff. Gofynnaf i'r Prif Weinidog ddweud ychydig eiriau ac i gyflwyno'i staff i'r pwyllgor.

**Rhodri Morgan:** This is the opportunity that we have on a termly basis to ask questions of the First Minister and his staff. I invite the First Minister to say a few words and to introduce his staff to the committee.

[88] **Y Prif Weinidog (Carwyn Jones):** Diolch, Gadeirydd. Mae Gary Davies, Chris Miles a Rob Halford gyda mi. Paratowyd adroddiad ac mae hwnnw gerbron y pwyllgor. Mae'n adroddiad eithaf cyflawn ar yr hyn yr wyf i a'r Llywodraeth wedi'i wneud ers y tro diwethaf i'r pwyllgor fy nghwestiynu ar ddatblygiadau yn yr Undeb Ewropeaidd.

**The First Minister (Carwyn Jones):** Thank you, Chair. I have Gary Davies, Chris Miles and Rob Halford with me. A report has been compiled and provided to the committee. It is quite a comprehensive report of what the Government and I have been doing since the last time that the committee questioned me on developments in the European Union.

[89] **Rhodri Morgan:** Bydd cwestiynau gan yr Aelodau a gennyf i o ran yr hyn sydd wedi bod yn digwydd yn ddiweddar. Mae'r cyntaf yn gwestiwn llosg i ni, a chredaf ei fod i chi hefyd. Ble'r ydym ni o ran cydlyniant ac unrhyw newidiadau bydd Cymru'n eu hwynebu pan fyddwn yn newid i'r system newydd ar ôl 1 Ionawr 2014? A fydd categori canolraddol newydd ar gyfer rhanbarthau mewn aelod wladwriaethau sydd â GDP y pen sy'n uwch na'r cyfartaledd Ewropeaidd, sef 75 y cant?

10.15 a.m.

[90] **Y Prif Weinidog:** Ar hyn o bryd, yr ydym yn aros i weld beth yn union fydd y sefyllfa. Barn Llywodraeth Cymru yw y dylai bod system o gyllido canolraddol. Mae system o'r fath wedi bodoli o'r blaen i helpu rhanbarthau sy'n dod allan o'r categori sy'n cael y lefel uchaf o gronfeydd strwythurol. Ar hyn o bryd, felly, ein barn ni yw y dylai hynny barhau. Nid dyna farn Llywodraeth y Deyrnas Unedig; mae wedi dweud yn glir mai dim ond gwledydd newydd yr Undeb Ewropeaidd a ddylai gael cronfeydd strwythurol yn y dyfodol. Nid ydym yn cytuno â hynny. Ein barn ni yw y dylai'r cronfeydd fod ar gael i unrhyw ranbarth sy'n haeddu cael yr arian. Ni ddylai unrhyw ranbarth fod mewn sefyllfa lle na all gael mynediad at yr arian oherwydd ei fod yn rhan o wlad sy'n fwy cyfoethog na rhai eraill. Felly, nid oes cytundeb rhyngom a Llywodraeth y Deyrnas Unedig ar hynny.

[91] **Rhodri Glyn Thomas:** Mae adran yn yr adroddiad sy'n cyfeirio at y polisi amaethyddol cyffredin. Yn yr adran honno, yr ydych yn sôn am drefniadau ariannu cynllunio datblygu gwledig ac yr ydych yn datgan yn glir bod Cymru dan anfantais yn y system honno. Yr ydych yn sôn am ddogfennaeth gyhoeddus y Comisiwn ac yn dweud eich bod yn synnu nad oes cyfeiriad at hyn ynddi, nac unrhyw ymdrech i fynd i'r afael â'r broblem. Beth mae Llywodraeth Cymru yn ei wneud i geisio sicrhau yr ymdrinnir â'r annhegwch hwnnw?

[92] **Y Prif Weinidog:** Sawl blwyddyn yn ôl, penderfynodd Llywodraeth y Deyrnas Unedig nad oedd am gael mwy o ran o'r arian sydd ar gael o Ewrop. Oherwydd

**Rhodri Morgan:** There will be questions from Members and from me on what has been happening recently. The first is a crucial question for us, and I think that it is for you too. Where are we in terms of convergence and any changes that Wales will face when we change to the new system after 1 January 2014? Will there be a new intermediate category for regions within member states with a GDP per head above the European average of 75 per cent?

**The First Minister:** Currently, we are waiting to see exactly what the situation will be. The Welsh Government's view is that there should be an intermediate system of funding. Such a system has existed in the past to help regions coming out of the category receiving the highest level of structural funds. At the moment, therefore, it is our view that that should continue. This is not the opinion of the United Kingdom Government; it has made it clear that only new EU countries should receive future structural funds. We do not agree with that. Our view is that the funds should be available to any region that qualifies for the money. No region should be in a position in which it cannot access the money because it is part of a country that is more prosperous than some others. Therefore, there is no agreement between us and the UK Government on that.

**Rhodri Glyn Thomas:** A section in the report refers to the common agricultural policy. In that section, you mention funding arrangements for rural development planning and you state clearly that Wales is at a disadvantage in that system. You talk about the Commission's public documentation and say that you are surprised that there is no reference to this in it, nor any effort to tackle the problem. What is the Welsh Government doing to try to ensure that that inequity is addressed?

**The First Minister:** Some years ago, the United Kingdom Government decided that it did not want a greater share of the money available from Europe. Consequently, the



hynny, nid yw'r Deyrnas Unedig yn cael rhan deg o'r arian sydd ar gael i ddatblygu ardaloedd gwledig. Yr ydym wedi dweud sawl gwaith y dylid ailystyried y penderfyniad hwnnw, ond nid dyna farn Llywodraeth y Deyrnas Unedig ar hyn o bryd. Nid oes cytundeb ychwaith ynghylch beth ddylai siâp y polisi amaethyddol cyffredin fod yn y dyfodol. Ein barn ni yw y dylid cael elfen gref o gefnogi ffermwyr yn ariannol yn y pen draw. Barn Llywodraeth y Deyrnas Unedig yw na ddylai hynny ddigwydd ac y dylid trosglwyddo mwy o arian o biler 1 i biler 2. Nid dyna farn Llywodraeth y Cynulliad.

[93] **Rhodri Glyn Thomas:** Mae'r sefyllfa yn amlwg yn un anodd i Lywodraeth Cymru, gan mai'r aelod-wladwriaeth sydd â'r llais swyddogol yn yr Undeb Ewropeaidd. Pan fydd anghytundeb sylfaenol ynglŷn â natur yr ariannu ac egwyddorion sylfaenol y polisi amaethyddol cyffredin, sut y gall Llywodraeth Cymru sicrhau bod ei llais yn cael ei glywed?

[94] **Y Prif Weinidog:** Fel y gwyddoch, mae gennym swyddfa ym Mrwsel ac yr ydym yn mynegi'r farn honno i swyddogion y Comisiwn ac i'r Comisiynwyr eu hunain. Ni fydd y farn sydd gennym ar hyn o bryd yn newid. Mae'n bwysig bod aelod-wladwriaethau eraill yn sylweddoli nad barn Llywodraeth y Deyrnas Unedig yw'r farn y cytunwyd arni yn rhanbarthau'r Deyrnas Unedig—mae barn hollol wahanol wedi ei mynegi yng Nghymru, yr Alban a Gogledd Iwerddon.

[95] **Jeff Cuthbert:** As you say, the Welsh Government has a different position to the UK Government. In our discussion of the first item this morning, with representatives from Brittany, the CPMR made clear that its position post-2013 was that all regions should benefit from cohesion funding. As you say, this is not the position of the UK Government.

[96] I was pleased to read about the regions of excellence award; could you say anything more about what that means? Have you had any recognition from the UK Government of the achievement of that award?

[97] **The First Minister:** The UK Government has not recognised it; I am not sure that we would look for that recognition, but it is right to say that we have not had it. The award was presented to recognise the effectiveness demonstrated in Wales in ensuring that structural funds are distributed in as efficient a way as possible.

[98] **Nick Bourne:** My question is more on the common agricultural policy than cohesion funding, and is two-pronged. You have hinted at discussions with other regions; is the issue of

United Kingdom does not receive its fair share of the funding available to develop rural areas. We have said many times that that decision should be reconsidered, but that is not currently the UK Government's view. There is no agreement either on what form the common agricultural policy should take in the future. Our view is that there should be a strong element of financial support to farmers in the long run. The United Kingdom Government's view is that that should not happen and that more money should be transferred from pillar 1 to pillar 2. That is not the view of the Assembly Government.

**Rhodri Glyn Thomas:** The situation is obviously a difficult one for the Welsh Government, as it is the member state that has the official voice in the European Union. When there is a fundamental disagreement about the nature of funding and the basic principles of the common agricultural policy, how can the Welsh Government ensure that its voice is heard?

**The First Minister:** As you know, we have an office in Brussels and we express that view to Commission officials and to the Commissioners themselves. Our current view will not change. It is important that other member states realise that the views of the United Kingdom Government are not the agreed views of the United Kingdom regions—a completely different view has been expressed in Scotland, Wales and Northern Ireland.

the CAP being approached via the Committee of the Regions, and what work are we doing behind the scenes on this? What work are we doing to influence the UK Government position? When I spoke to Caroline Spelman, it seemed that the situation of the direct payment, as reported, had either been diluted or misunderstood to some extent. She said that the direct payment cannot possibly end before 2020 and will probably go on much beyond that. That is not what newspaper headlines were saying, so I wonder what work is going on behind the scenes with Caroline on that issue.

[99] **The First Minister:** There has been a great deal of discussion and correspondence at ministerial and official level. The view of the Welsh Assembly Government, the Scottish Government and the Northern Ireland Executive has been made very clear to the Department for Environment, Food and Rural Affairs, and it is fully aware that we do not hold the same view as the department regarding what the future of the common agricultural policy should look like. We are in regular contact with DEFRA, and our views have been made clear to it.

[100] **Nick Bourne:** Thank you for that, Carwyn. As I say, I think that the headlines were ‘subsidies to end’ and ‘Minister calls for end to subsidies’, but that does not seem to be Caroline Spelman’s position. If subsidies or direct payments can continue until 2020, that is very different to the position that is being set out by some people, not least in the media. Perhaps we need to get the message across that the UK position is not as clear cut as ending subsidies, full stop; that is certainly not the position.

[101] **The First Minister:** Explaining its position clearly is a matter for the UK Government, but our impression, and that given to the European Commission, is that those subsidies are to end. If that is not the case, it would be useful for the UK Government to clarify its position so that what you have outlined is made clear to the Commission.

[102] **Nick Bourne:** I can let you have the correspondence on that. It is in our interest as well that we get that clarification.

[103] **Rhodri Morgan:** Could there be a difference between what you call subsidies and direct production or headed subsidies?

[104] **The First Minister:** There are no longer direct production subsidies; they disappeared some seven or eight years ago after the Luxembourg agreement. Direct payments in Wales are administered on a historic basis; in other words, farmers are paid according to the numbers of animals that they kept during a defined period some years ago. Clearly, the further that we get away from that defined period, the more difficult it becomes to sustain the present basis. Nevertheless, direct production subsidies—such as the old sheep annual premium and the beef special premium schemes—went some time ago.

[105] **Rhodri Glyn Thomas:** I ddilyn ymlaen o bwynt Nick ynglŷn â Phwyllgor y Rhanbarthau, yr wyf yn digwydd eistedd ar bwyllgor ad hoc a sefydlwyd i edrych ar gyllideb yr Undeb Ewropeaidd gan Bwyllgor y Rhanbarthau, ac mae gennym gyfarfod ddydd Gwener. Yr wyf wedi cyflwyno nifer o welliannau yn ymwneud yn uniongyrchol â safbwynt Cymru a Llywodraeth Cymru ar y polisi amaethyddol cyffredin a cheisio diogelu'r egwyddorion sylfaenol hynny sydd mor bwysig i'n cymunedau gwledig. Mawr obeithiaf y caiff y gwelliannau hynny eu mabwysiadu yn y cyfarfod ddydd Gwener.

**Rhodri Glyn Thomas:** Following on from Nick’s point on the Committee of the Regions, I happen to sit on an ad hoc committee that has been established by the Committee of the Regions to look at the European Union’s budget, and we have a meeting on Friday. I have tabled a number of amendments directly related to the position of Wales and the Welsh Government in relation to the common agricultural policy and to those basic principles that are so important to our rural communities. I greatly hope that those amendments will be adopted at the meeting on Friday.

[106] **Rhodri Morgan:** Earlier today, we discussed with Jean Yves Le Drian, President of the CPMR and of the Regional Council of Brittany, the CPMR contribution to the debate on the future of cohesion. Points were made on conditionality, the urban dimension and the need for an intermediate category. Could you lay out for us whether the Assembly Government has adopted a position on conditionality? The CPMR took a strong view on this issue and said that it could lead to double jeopardy for regions—a region might be doing everything right, with no malfeasance in its expenditure, and it might have received half a dozen RegioStars for how well it spends the money, but if the member state Government infringed climate change rules, the 3 per cent borrowing rule or something else, there would suddenly be a deduction of 2 per cent, or more, from the region's eligibility for convergence funding. Mr Le Drian said that that seemed absurd and I would be interested to hear your view on that.

[107] Secondly, I understood the CPMR's position to be that, if there is to be an urban dimension, it should not come out of the convergence payments or the normal structural funds. If parts of say London, Paris or Vienna, which are outside the convergence areas, are going to be brought in, that should not be by deduction from the resources available to the structural fund areas where the GDP per head is less than 75 per cent of the EU average.

[108] Finally, an intermediate category of 75 to 90 per cent, let us say—that is just a guess—could be introduced without an increase in expenditure, because of the freakish reasons related to enlargement. In 2014, the number of people living in convergence areas, where the GDP per head is less than 75 per cent of the EU average, will drop from 170 million people—a third of the EU's population—to 120 million people. Therefore, you could easily add 50 or 60 million to an intermediate category without it costing you more money. That is roughly the view of the CPMR. That would include any transitional funding paid to regions that are former convergence regions, where GDP per head has gone from 74 to 76 per cent of the EU average. Has the Assembly Government formed a view on those three issues?

[109] **The First Minister:** Yes. We are not in favour of greater conditionality, as we think that flexibility is the key. Having been to Brussels in the last few weeks, my impression is that there is some reluctance to adopt greater conditionality. It is important that each region is able to resolve its own problems and support its own schemes, without its ability to do so to being too restricted. We understand that there has to be a proper audit trail but a one-size-fits-all approach is not the way forward for Wales.

[110] Our concern about the urban dimension is that funding will be diverted to urban projects, which is not necessarily in Wales's interest. At the moment, there is a proposal to look at providing more funds for urban areas. That money should not come out of the existing structural funds; it would represent a completely different programme with different objectives to what the highest level of structural funds—convergence funding—is supposed to resolve.

[111] As regards the intermediate category, it is difficult to give a view on how the maths add up. We have not seen the multiannual financial framework yet; I believe that that will be out next year. Our concern is that, if there is an attempt to reduce the budget of the European Commission, the CAP will be protected at the expense of structural funds. That would not be an acceptable way forward. We have made our view clear on what should happen with CAP, but moving funds from structural funding to CAP is not the way forward.

[112] **Rhodri Morgan:** Are there any other questions? I see that there are none.

[113] Diolch yn fawr am eich presenoldeb a'ch cyflwyniad ac am ateb ein cwestiynau y bore yma, Brif Weinidog. Thank you for your attendance and your presentation, and for answering our questions this morning, First Minister.

[114] We have papers and minutes to note. We have a presentation tomorrow on the cohesion fund, at which I hope to see you. Thank you for your presence this morning.

*Daeth y cyfarfod i ben am 10.29 a.m.*  
*The meeting ended at 10.29 a.m.*