



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

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

**Dydd Iau, 23 Hydref 2008
Thursday, 23 October 2008**

Cynnwys
Contents

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 4 Tystiolaeth i'r Pwyllgor ynghylch Sybsidiaredd
Evidence for Committee on Subsidiarity
- 13 Adroddiad Drafft y Pwyllgor—Ymchwiliad i Fanc Buddsoddi Ewrop
Draft Committee Report—European Investment Bank Inquiry

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

Jeff Cuthbert	Llafur Labour
Nerys Evans	Plaid Cymru The Party of Wales
Michael German	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Sandy Mewies	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)

Eraill yn bresennol
Others in attendance

Serafino Nardi	Cabinet yr Ysgrifennydd Cyffredinol, Pwyllgor y Rhanbarthau Cabinet of the Secretary General, Committee of the Regions
Gerhard Stahl	Ysgrifennydd Cyffredinol Pwyllgor y Rhanbarthau Secretary General of the Committee of the Regions

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Gregg Jones	Pennaeth Swyddfa Undeb Ewropeaidd Cymru, Gwasanaeth Ymchwil yr Aelodau Head of Wales European Union Office, Members' Research Service
Annette Millett	Dirprwy Glerc Deputy Clerk
Stefan Sanchez	Clerc Clerk

Dechreuodd y cyfarfod am 1.31 p.m.
The meeting began at 1.31 p.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Sandy Mewies:** Good afternoon, everyone, and welcome to this meeting of the Committee on European and External Affairs. I understand that we have received an apology from William Graham and that we are expecting Nerys Evans to join us shortly. There are no other apologies or substitutions.

[2] I remind everyone that we operate through the media of Welsh and English; that does not apply when we come to the video link. Nerys will be the only Welsh speaker here, when she comes, but translation cannot be provided for the video link. For those in the public gallery, at all other times in the meeting, translation facilities will be available on channel 1 of your headsets; channel 0 will amplify the sound if you are hard of hearing. I ask everyone present to turn off any electronic devices, including BlackBerrys, telephones and so on, or they will interfere with the broadcasting system.

1.33 p.m.

Tystiolaeth i'r Pwyllgor ynghylch Sybsidiaredd Evidence for Committee on Subsidiarity

[3] **Sandy Mewies:** I welcome Gerhard Stahl and his colleague, and I can see Gregg Jones there, too. Welcome to the meeting. You have presented a paper to us, which we have all read, but if you would like to make any observations now, members of the committee will ask their questions following that.

[4] **Mr Stahl:** Madam Chair, thank you very much for allowing us to participate in your work. I would like to make some general comments, knowing that you have received our written documents and hoping that they have provided you with an opportunity to make an initial judgment on the activities the Committee of the Regions. As you might have seen, under the existing treaty, legislative proposals must meet the principle of subsidiarity and proportionality; I understand that you have also discussed this with other experts. Monitoring subsidiarity is an important political objective for the Committee of the Regions. For some years, the Committee of the Regions has contributed to a new subsidiarity culture. Monitoring subsidiarity is an important feature of the opinions of the Committee of the Regions on legislative proposals.

[5] The Committee of the Regions has to be asked by the European legislature on its position concerning areas related to economic and social cohesion, education and youth policies, culture public health, trans-European networks, transport, employment, social affairs, the environment and vocational training. So, most of the areas of interest to regional and local authorities are part of the mandatory consultation process for the Committee of the Regions.

[6] To do this work, we have concentrated on properly checking the subsidiarity principle in these proposals. We have also tried to co-operate closely with political actors in exchanging information and concepts around judging the principle of subsidiarity. For example, in 2004 we organised a meeting in Berlin, at the Bundesrat—the second chamber of the German Parliament, which represents the regional level. In 2005 we had the opportunity to hold a discussion in the House of Lords on how to develop and understand the subsidiarity principle, and how to allow political actors proper scrutiny. Tomorrow, we will have another conference on subsidiarity monitoring with the Senate in Paris, involving members of national parliaments, second chambers and the Committee of the Regions.

[7] In addition, we have developed a subsidiarity network with more than 90 partners, which started in October 2005. With this network, the Committee of the Regions is able to consult regional and local partners. Some of them are regional parliaments, while others represent the executive branch of a regional Government. The network allows us additional input for our rapporteurs, when they have to prepare an opinion and express our position towards the European legislature—the European Parliament and the Council of Ministers. We have used the subsidiarity network to discuss some interesting topics. We had an interesting consultation on the energy package, which created a lot of debate among member states. We also used the network to consult on immigration and employment proposals, and we have just finished our last subsidiarity network exercise on the commission proposal on patient mobility.

[8] An important feature of the network is that it not only enables participants to pass on their judgment to one of the European institutions—and as a consultative body, it is part of the European legislative process—but it also allows the exchange of opinions among network members, because being part of the network gives you access to others' opinions about a proposal. The National Assembly for Wales is part of the network, so you might have an

experience that you would like to share, or an opinion on the performance of the network, which, as I said, started some time ago. I cannot say that we have yet achieved all the objectives for the network.

[9] I hope that this presentation gives you an idea of what the Committee of the Regions can contribute to your debate. I would be pleased to answer more concrete questions from you and the other members of the committee. Thank you.

[10] **Sandy Mewies:** Thank you. Does Mr Nardi have anything to add?

[11] **Mr Nardi:** No, I have nothing to add.

[12] **Sandy Mewies:** The presentation was very interesting. We have taken part in subsidiarity network exercises in the past, and found it a useful experience. The first Member to speak will be Nerys Evans, who is one of our representatives on the Committee of the Regions.

1.40 p.m.

[13] **Nerys Evans:** Thank you for your evidence, and for joining the committee today. As the Chair mentioned, I am a member of the Committee of the Regions on the commission for constitutional affairs, European governance and the area of freedom, security and justice. I am a new member and have attended only two meetings due to the long process of getting the names in. How effective do you think the Committee of the Regions is as a body in influencing decisions, given that it has only an advisory role? Do you have examples of where it has made a difference in the legislative process? Do you monitor that procedure?

[14] **Mr Stahl:** That question is at the heart of this institution's political work. This is the youngest of the European institutions, but we can already give you examples of how this consultative body has been effective in contributing to the final decision making. To explain that, allow me to make a general comment about the European decision-making process, which, to a certain extent, is different from that of some national policy systems. In the European Union, decisions are prepared a long time before the final legislative votes are taken in Parliament and before the final votes are taken in the European Council. A long preparatory discussion is held on all policy made, which, at the end of the process, comes to the legislator to become law, and the Committee of the Regions has a great deal of experience of contributing to that early policy-shaping process. I will give you a concrete example, namely the structural funds regulations for the period until 2012. The Committee of the Regions has already contributed to the blueprint of this new policy, three years before the European Commission was presented with the final proposal. At that time, former commissioner Barnier, who was responsible for regional policy, asked us to present an outlook opinion, namely our judgment on regional policy and structural funds, and to give an indication of how the Committee of the Regions wanted this policy to be shaped for the future. Some of the difficult negotiations, which resulted in the concrete legislation, were undertaken during that consultation process, because our Members, coming from all the different member countries and representing the different interests, started to discuss and negotiate what the best policy and compromise could be for the new structural funds period. So, the Committee of the Regions can say that many of the elements that make up regulations are the result of the input of the committee in its consultative works well before the commission put the legislation on the table. That is one example.

[15] Another example is the regulation on the European grouping for territorial co-operation. Some of our regions, being confronted with the day-to-day problems of border regions, realise that it is not so easy to co-operate beyond national borders. Taking a practical example, the German-speaking part of Belgium and parts of North Rhine-Westphalia have a

lot of cross-border activities, ranging from public transport to hospital emergency services. Regions in the Pyrénées, the border regions between Spain and France, and many other border regions have the same experience. The local authorities there had to realise that we do not have the proper instruments to allow us to create co-operation, combining staff and budgets to cover services for the whole cross-border area.

[16] The proposal to have European legislation for groupings for territorial co-operation gives an answer. To come to this proposal, a lot of work had to be done beforehand. The Committee of the Regions launched certain studies, and we worked closely with some of the interested actors, such as an association of cross-border regions, which has been very active, and the European Parliament. Finally, this proposal was made possible during the Austrian presidency, with the help of our regions, because our Länder's Hauptleute, the presidents of the Austrian regions, were able to influence the Austrian presidency to put such a topic on the table. Finally, this proposal, which had been taken up by the commission, could be decided upon. So, there were some concrete examples of where our work, which sometimes lasted for years, led to a concrete result in the form of European legislation.

[17] **Sandy Mewies:** Before I proceed to the next question, could you check whether any mobile phones or BlackBerrys are switched on in Brussels, because we are getting some interference? Thank you. Anyway, we will move on, and Jeff Cuthbert is next.

[18] **Jeff Cuthbert:** Thank you very much for your contribution, Mr Stahl. My question flows on from Nerys's question. I was interested in what you said about influencing the structural funds programme, because the issue that faces us across Europe now—and that includes regions such as Wales—is the economic situation, and how the European Union can help to minimise its impact by working together. Two weeks ago, I attended an open day for the cities and regions of the EU in Brussels, which I found extremely interesting. To what extent do you think the Committee of the Regions can work with the EU—the member states and the regions—to exchange ideas about good practice, and to find ways and means of helping to reduce the effects of the current economic climate that is affecting all parts of Europe to one degree or another? How effectively do you think the regional assemblies can influence the EU's work in that direction?

[19] **Mr Stahl:** The financial and economic crisis that everyone has followed over the last weeks and months is also of great interest to the Committee of the Regions and our Members. We discussed this question in our last plenary session, a week ago, with vice-president Verheugen. There, it became clear that this is a situation that requires everyone to react and to make a contribution. As you know, the situation in member states differs owing to a difference in the size of member states and the role and competences of regions and cities. However, the same situation exists everywhere: we will achieve an efficient answer only if the different levels of government work together.

[20] We have regions in the European Union that are owners of important banks. In Germany, the savings banks are public banks that are owned by the local authorities. They have almost one third of the internal market in Germany, so, collectively, these are very big players. The banks are essential to allow small and medium-sized businesses to get credits, so it is obvious that our regions are interested in, and affected by, the latest difficulties in financing economic activities. On the one side, there are those who need economic development and, on the other, there are the owners of banks, who are directly affected by some of the legislative proposals.

1.50 p.m.

[21] So far, this debate is about what answers the different layers of Government have to offer in relation to this economic crisis, starting from the international and European level,

where you had the meetings of the heads of states, during which some very important and reassuring decisions were taken, based on the work of the eurogroup and the Ecofin council. However, that work has to be followed up by all the public actors and, therefore, the Committee of the Regions will also, in its next plenary session, continue this debate. During that session, we will have a discussion with Mr Maystadt, the president of the European Investment Bank in Luxembourg, who will explain the possibilities of the bank contributing to the financing of small and medium-sized companies. We will also get his judgment on the overall situation.

[22] I hope that that gives you an initial idea. If you have more precise questions, I will try to answer them in more detail.

[23] **Jeff Cuthbert:** I am very grateful for that answer. On the specific matter that you alluded to earlier regarding European structural funds—and I appreciate that they are not your direct responsibility—there is a mood that we ought to review the main structural funds programmes to see whether they are relevant in terms of helping us in the economic situation that we are in. Is that mood articulated throughout the Committee of the Regions or do people feel, as I do at this moment, that it is a bit too early to react in that way and that, as long as the programmes remain heavily aligned to the Lisbon and Gothenburg strategies, they ought to serve us well, provided that they are implemented properly?

[24] **Mr Stahl:** The debate about regional policy and the period after 2012, to a certain extent, has started. The position of the majority of the regions that are active in Brussels and, I would say, the clear position of the majority of our members is very much to underline the importance of regional policy for economic development all over the union and to have a positive view, as you mentioned, of the refocused structural policy, the Lisbon agenda, which will help to create jobs and employment. I think that the majority of our members have a positive view of structural funds, and we could confirm that in big events, such as the open days that you mentioned—7,500 people have come to Brussels to have discussions in more than 120 workshops on the different aspects of regional policy. We will summarise those discussions. We will also ensure that the results of those discussions are published. One can clearly see, from this intensive, conceptual and practical discussion, that structural policy is quite important for many of our citizen regions to advance in restructuring, to create new jobs, to innovate, and to give answers to sustainable development challenges.

[25] **Michael German:** Thank you, Mr Stahl. Chair, I have two areas of questioning and since they are quite disconnected, it would probably be sensible if I asked about them separately. I will start, Mr Stahl, by looking at the subsidiarity protocol. In real, concrete, policy terms, this is the area where we will be able to have the biggest influence upon the legislation that will eventually emerge to affect us. Article 6 of the protocol says that it is for each national parliament to determine its own way of consulting with regional authorities. Is there a pattern emerging as to how member states intend to consult with their regional authorities? Is the eight-week timeframe for the member states to put their views to the commission sufficient to allow for full consultation with regional authorities? What representations have you made on this matter, and how could the protocol be extended or changed to better accommodate the work of regional and local authorities, particularly those with legislative competence on this matter?

[26] **Mr Stahl:** As you said, this debate is obviously of specific interest to those regional assemblies and parliaments with legislative competence. Therefore, the situation is different from one member state to another. You asked whether a specific pattern was emerging in the efforts of different member states, regions and regional parliaments to prepare themselves for more intensive participation in subsidiarity control. There is a common feature, in that the process of decentralisation, devolution or whatever you wish to name it, giving more competence to the regional level, also affects the role of the regional parliament. This is a

process of importance only for bigger member states—no-one expects a decentralisation process in Luxembourg, for example, and no-one would expect the development of strong regions in the Baltic states, because they are, more or less, metropolitan regions—they are small regions and not big member states.

[27] If you look at big member states, such as the United Kingdom, France, Germany, Spain or Italy, you will see that decentralisation or devolution is part of the political process. That also very much reflects the reality in the European Union that more responsibilities have to be taken up at a regional level. There is a clear case for doing so for those member states that are part of the eurogroup—those member states that no longer have a national currency. The role of national economic policy in those member states has very much changed, so regions must take on responsibility for innovation and for many of the decisions that affect business and citizens. As a consequence, regional parliaments must also take a stronger part in European decision-shaping and discussions.

2.00 p.m.

[28] This is the general picture of giving a higher role to regional and decentralised bodies. If one looks at the precise pattern, it is very different, because this obviously reflects the very different nature of the institutional systems. In the written documents that we have provided to you, you can see that there are some very interesting examples. The most extreme example is the Belgian example, where regions have direct competencies to negotiate and sign treaties with outside partners, even with other countries. So, if you have such a regional competence, the mechanism for subsidiarity control is very different to structures where there is still the dominant role of a more centralised political system, giving the competencies to represent regions and their powers on the outside to the central level in the development of certain systems and agreements of co-operation with the decentralised level. So, in the Belgian case, you have, depending on the areas, a situation where the two votes that are given to the national parliamentary system can go to the regions, with no vote left for the national parliamentary system, if it is an area where the regions have the exclusive competence. That is an extreme case, which we do not find in other institutional systems. Another example is the Italian case, where there has not been a formal agreement up to now, but they have more pragmatic, ad hoc co-operation, trying to bring regional actors, including the regional parliament, into the flow of information and allowing them to present their ideas in time, before a decision is taken on a national level.

[29] **Michael German:** I suppose that, in the Italian case, eight weeks is insufficient time for a regional assembly or Government to make its view known to its national Government, and for it to come to a view and be able to present the commission with a united position as a member state. Is that a cause of concern for you, or do you think that it will be overcome in practical terms?

[30] **Mr Stahl:** It is a cause for concern only in a limited way. Eight weeks is a short time, but every actor who follows European policy in a regular manner should be aware that these proposals do not fall from heaven, as it were. They are prepared a long time beforehand. As a consequence, all those who have a responsibility to contribute to European decision-making and regional parliaments with legislative powers, have an obligation to prepare themselves to take part in this decision making, and must build up structures so that they are aware of what proposals will come from the European Union system. As you know, the European Union work programme is presented by the commission and discussed in the European Parliament, showing all the areas that will, at a certain moment in time, become a commission proposal or a legislative proposal. There are long periods of discussion and sometimes there are White and Green Papers leading to the preparation of proposals, so every institution that makes an effort to follow European policies is able to identify, a long time in advance, those issues that will become important and might become legislative proposals. Therefore, it is good that the

regions, and assemblies such as yours, have started to have a direct presence in Brussels, so that they are properly informed in time and are not surprised by what comes up.

[31] **Michael German:** That leads neatly into my second area of questioning, which is about engagement with European institutions, one of which you represent. You have outlined how people should take a long-term view, tracking a proposal through from its earliest stages; then there is the medium term, when people are shaping proposals and making a difference in the outlines and the structures that come before the Council of Ministers and the European Parliament; and there is finally what we would call, in our terminology, the line-by-line discussion, in great detail, of the legislation. It is that last part—the shorter end—of the process that is the most difficult, where there could be details that require a swift response. In terms of the medium-term or longer-term goals, which are both important, what should we do to get full value from the system, apart from having a member and an associate member of the Committee of the Regions from the National Assembly of Wales, not the Welsh Assembly Government?

[32] What role should we take in dealing with the Committee of the Regions in order to access that long-term advice? Should we deal directly with you, through our representatives, or should we be calling for evidence or reading your reports, given that there will be a wealth of documentation available in the long term? Can the Committee of the Regions take a secretariat role in filtering what we see, or should we be doing all that ourselves?

[33] **Mr Stahl:** There are two main areas of work with the Committee of the Regions. The most important part is your contribution to its parliamentary work. This allows you to directly influence some of the opinions and decisions. In addition, the Committee of the Regions, as an institution, tries to provide some services to those regions and cities that are our natural clients. We can sometimes help regional parliaments to do some of their work more efficiently. On that point, I come back to the subsidiarity network, where participants acquire knowledge of the documents that the European Commission is presenting to the Committee of the Regions. That is an additional information tool that you might use, because those documents reflect our areas of competence, and as I said, they overlap with just about every area of importance for regions. Therefore, members can have direct access to documents that are part of the subsidiarity network.

[34] Then there are the specific events that I just mentioned—the open days, where regional actors can take part. However, I must be prudent in refraining from offering too much in the way of service. We are a European institution with a certain administrative capacity—we have 500 staff members and a budget of €70 million, which looks quite substantial, but if you consider that we serve local and regional authorities across the European Union, which covers 500 million citizens, and have to speak all the languages of the European Union, you understand that our resources are, nevertheless, limited. So, many of the judgments and evaluations of commission proposals and European initiatives for the different regions and their parliaments can only be done on your level—in many areas, you have competence and a degree of knowledge that a European central institution cannot have.

[35] **Michael German:** I want to focus for a moment on the subsidiarity fora that you mentioned, and the network, and how that works. How best should we engage with your fora, and the network? What is the best way for a legislature to engage with it?

2.10 p.m.

[36] **Mr Stahl:** If you look at a subsidiarity check from the Committee of the Regions, you can identify the topics that are relevant to your own debates, and then find time and staff to look at them. The last test was on patient mobility, which creates a lot of interest in a number of European regions, because it is a topic that is closely related to the day-to-day

concerns of some of our citizens. We all know that there are a lot of British, German and other citizens who live, for example, in Spain and other southern parts of Europe. If they have concerns about the health service that they can get there, and how the service is financed by the national health systems, we have European legislation that guarantees a certain level of service for patients. So, there is a lot that might be of interest to people in these regions. If you have identified—I cannot judge whether this is an issue of concern or whether other issues may be of more concern to the National Assembly for Wales—such an issue as being of specific interest, finding the time to analyse the answers coming from the participants, who are quite different, might give you insight and might give you to have an understanding of how some of the questions can be answered in one or other of the institutional contexts.

[37] **Nerys Evans:** We all appreciate the important role of the Committee of the Regions in representing regional and local government. One of the first meetings that I attended was of the UK delegation. I was disappointed that there was such an emphasis on local government rather than on regional government by the UK delegation, but as soon as we attended the Committee of the Regions meeting, the emphasis became balanced. As you see an increased role for the Committee of the Regions developing over the next few years, do you see any changes to its structure, so that it differentiates between local government and European regional government, possibly on the Council of Europe model, with a chamber for local authorities and a chamber for regions with legislative powers?

[38] **Mr Stahl:** You address an issue that has already been debated several times in the history of the Committee of the Regions, because, for some of our member states, the question of the balance between local and regional actors is still much debated. One could say that, altogether, the Committee of the Regions is roughly half local elected representatives and half regional politicians. So, we are quite balanced as an institution. However, the national distribution between regional and local is very different. Coming from Germany, I know the debate in Germany a bit better than that in some other countries. In Germany, our local authorities are contesting decisions taken when the Committee of the Regions was set up to allow only three local representatives to be the members. Other cities and local authorities would very much like to have a pattern more in line perhaps with that of the British decision. So, the issue is still on the table.

[39] As far as the institution is concerned, I do not see a real effort to change the acquired balance and the working mechanisms too much. There is perhaps one reason not to try to build up different constituencies in the work of the Committee of the Regions, namely because the distribution of competencies within member states varies. Having a regional chamber and a local chamber could mean that, in the local chamber, you have mainly Scandinavian representatives, because Scandinavia has smaller member states and a long tradition of local democracy, so many competencies have been passed to the local level. So, you would probably end up with a situation whereby the local and the regional chambers are no more representative than is currently the case. At present, everyone contributes based more on the role that the politicians play in their own institutional context and slightly less on their label. It does not mean that it is based on whether they are local or regional politicians but, rather, on whether they have an interest in innovation policy, and whether they think that health policy is an issue where they need to invest. I think that there is a lot to say for a more logical approach towards policy areas and less towards institutional separation.

[40] **Jeff Cuthbert:** Most of my questions have been dealt with, but I have just one very brief point. What is the role of the Welsh Members of the European Parliament in your work? Do you have a link with them and, if so, what is that link?

[41] **Mr Stahl:** Contact between the Members of the European Parliament and the Committee of the Regions has increased very substantially over the last three to four years. Almost each week now, we have Members of the European Parliament taking part in events

in the Committee of the Regions, whether they are debates in one of the committees or conferences where regional networks discuss policies that are of specific interest for regions and which also affect the European Parliament as legislator. The fact that you have political groups within the Committee of the Regions also allows an opportunity to contribute to the preparatory steps inside the European Parliament; there are also possibilities for members of staff within political groups to take part in the preparatory work, which, in the European Parliament, is also done based on working parties in political groups. Also, our rapporteurs meet rapporteurs of the European Parliament. There is only one limit to this very close co-operation, which, obviously, is the precious time of our MEPs, who have to be present in Brussels. One must use the time of MEPs in an efficient manner. As far as I can see, this is the only real limit; otherwise there is a big interest from Members of the European Parliament to take on board comments coming from the Committee of the Regions.

[42] **Sandy Mewies:** Did you want to speak again, Nerys?

[43] **Nerys Evans:** Not on that point; I have a different point to raise.

[44] **Sandy Mewies:** That is okay.

[45] **Nerys Evans:** Does the Committee of the Regions have a role to play in the development of subsidiarity protocols within member states, or is that purely down to the nations and local authorities within the member states? Do you intervene when those protocols are being developed?

[46] **Mr Stahl:** Could you repeat that, please? The acoustics were not brilliant here.

[47] **Nerys Evans:** Does the Committee of the Regions have a role to play in the development of subsidiarity protocols within member states, or is that purely down to the nations and local authorities within the member states? Do you intervene when those protocols are being developed?

[48] **Mr Stahl:** Obviously, subsidiarity is a principle for the Committee of the Regions, so we cannot intervene in the decisions taken by member states concerning the way in which regional and national parliaments intend to co-operate. We try to spread information and exchange good practice. One objective of the regular subsidiarity conferences started by the Committee of the Regions is to give some information on co-operation and on arrangements between regional and national parliaments. In our contribution to decision making, which remains the competence of member states—of political actors—we simply share information and perhaps give examples of what works better and draw attention to institutional structures that have not worked too well.

2.20 p.m.

[49] **Nerys Evans:** You have a list in the annex to your paper of the partners involved in the subsidiarity monitoring network. How is the list drawn up? We note that only the National Assembly for Wales has been listed from the United Kingdom; there is no reference to the Scottish Parliament and the Northern Ireland Assembly. Within the Governments, the Welsh Assembly Government is not a member or a partner of that network. How are the partners of that network created?

[50] **Mr Stahl:** It is based on a voluntary approach, which means that the Committee of the Regions has invited regional and local actors to take part. Some have taken this opportunity earlier and others might join us later. We also had to start to build up infrastructure knowledge, therefore one also had to do this work successively, starting with a more limited number of partners and then extending it. As you quite correctly mentioned, this

is a not a very representative list based on objective criteria. Some member states are covered with more regional and local partners than others, but we would hope that this network can be extended and that it is possible to take on board all of those regions that have an interest. With 90 participants already, we can say that it covers, nevertheless, different member states in quite a representative manner.

[51] **Sandy Mewies:** Thank you. I see that Members do not have any more questions. Thank you very much for the presentation today. It really has added to the information that we have on subsidiarity. I am sure that I do not have to tell any of you there that it is a huge subject for us. We are peeling through many layers of it at present and will continue to do so. We look forward to taking part in the network again. Our Member, Nerys Evans, keeps us fully informed of the work of the Committee of the Regions, as do our other members. We hear regular reports about the work that you do. Thank you on behalf of all of us for giving us a very interesting and informative presentation.

[52] **Mr Stahl:** Thank you very much for allowing me to participate in your work.

[53] **Michael German:** May I ask a question, Chair? I just do not know the answer to this. It is not a reflection on Nerys in any way, but the document refers to the National Assembly for Wales being a member of the co-ordinating subsidiarity committee. Are the representatives on the Committee of the Regions representatives of the Welsh Assembly Government or are they representatives of the National Assembly for Wales?

[54] **Sandy Mewies:** Would you like to answer, Nerys? I think that it is—

[55] **Nerys Evans:** It is the Assembly.

[56] **Michael German:** No motion came before the Assembly appointing them. They were appointed by the Welsh Assembly Government. Is that right?

[57] **Nerys Evans:** No, a motion was put before the Assembly.

[58] **Michael German:** Was there a motion?

[59] **Jeff Cuthbert:** It rings a little bell.

[60] **Nerys Evans:** Yes; there was a motion before the summer recess last year.

[61] **Michael German:** Fine. My question relates to this. I am glad to have that clarification because it is—

[62] **Sandy Mewies:** I would prefer to move on to the next business and then perhaps close the meeting, then we can—

[63] **Michael German:** This is related to subsidiarity. It seems to me that a question emerges from what we have just heard. There is a role for the members of the Committee of the Regions in dealing with the mass of information in relation to subsidiarity that comes from it. How we engage with that is something that we might need to engage with in this study. That is all that I am asking about.

[64] **Sandy Mewies:** We are the network members. As a committee we have taken part in those tests that they were talking about. Have we done one or two?

[65] **Mr Sanchez:** I was not the clerk at the time.

[66] **Michael German:** I can remember doing that.

[67] **Sandy Mewies:** We have also done it with someone else.

[68] **Michael German:** The point that I am making is that, in the report that will come out of this study, perhaps we should think about the way that we use the members and associate members of the Committee of the Regions given what we have just heard.

[69] **Sandy Mewies:** I totally agree. I do not think that that is just in relation to subsidiarity either. Before I bring you in, Nerys, I have a view that there is some confusion sometimes about the constituency of the members of the Committee of the Regions and how they carry our views forward—the mechanism for that consultation—and how they report back. I think that we have the reporting back off pat, more or less, but I am not entirely clear about the feeding in. If Nerys can do all of the subsidiarity work, I think that all of us would say ‘yes’. [*Laughter.*]

[70] **Michael German:** I was just raising it as part of the study.

[71] **Sandy Mewies:** I think that Nerys wants to make a point. It is something that we need to look at.

[72] **Nerys Evans:** Mae’r pwynt a godwyd gennyh yn ymwneud â’r rhwydwaith cyfrifolaeth yn hytrach nag o ran Pwyllgor y Rhanbarthau. Nid myfi, na Christine Chapman ychwaith, yw’r aelod ar y rhwydwaith cyfrifolaeth. Aelodau ar Bwyllgor y Rhanbarthau ydym ni. **Nerys Evans:** The point that you raised relates to the subsidiarity network rather than to the Committee of the Regions. Neither I nor Christine Chapman is a member of the subsidiarity network. We are members of the Committee of the Regions.

[73] Yn ychwanegol, mae gennym ddau aelod ond un yn unig a gaiff fynychu’r cyfarfod llawn lle trafodir pob darn o waith a wneir gan bob pwyllgor. Felly, dim ond ar waith y pwyllgor yr wyf yn aelod ohono y gallaf roi adroddiad. Bydd Chris Chapman, yn amlwg, yn mynd i’r cyfarfod llawn a bydd ganddi arolwg o’r gwaith a wnaiff Pwyllgor y Rhanbarthau o fewn yr holl bwyllgorau. Furthermore, we have two members but only one member can attend the plenary meeting in which every piece of work by each committee is discussed. Therefore, I am only able to report back on the work of the committee of which I am a member. Chris Chapman, obviously, will go to the plenary meeting and has an overview of the work undertaken by the Committee of the Regions within all of the committees.

[74] **Sandy Mewies:** Thank you, Nerys. That is very useful, particularly as we do not have Christine as a member of the committee now. It is an interesting point to which we will return.

[75] **Michael German:** I was not raising it for today, Chair. We can come back to it.

[76] **Sandy Mewies:** I think that it is quite important that it is raised. It is something that I have discussed previously. We were discussing it with the clerk quite recently. We will move on.

2.26 p.m.

**Adroddiad Drafft y Pwyllgor—Ymchwiliad i Fanc Buddsoddi Ewrop
Draft Committee Report—European Investment Bank Inquiry**

[77] **Sandy Mewies:** You have the draft committee report on the European Investment Bank inquiry. Mike raised the issue of the European Investment Bank. Today, Members are asked to comment on the report and agree it, if they so wish.

[78] **Michael German:** I find it very difficult to comment on a report that is meant to be a factual list of the evidence provided. Is this a report in which we are supposed to make recommendations? It seems to me that if you scrutinise something and do not make any recommendations, there is nothing to say, and there are no recommendations in the report. Were you looking for suggestions for recommendations at this stage? Also, where is the report going? It is all very well for us to talk to ourselves, but it would be very nice if this had more legs to it.

[79] **Sandy Mewies:** It is entirely a matter for you, Mike. Again, I have discussed with the clerk the issue of the outcomes of what we do here and where that goes. It is another point on which I am seeking some clarity.

[80] **Michael German:** Does our Standing Order state that reports from this committee should be debated in Plenary? Are we not included in that?

[81] **Mr Sanchez:** Sorry, I do not know the answer to that question. I can find out and get back to you.

[82] **Michael German:** If there are recommendations, in other committees the normal process would be that they would be laid before Plenary, debated in Plenary and then we would have a Government response.

[83] **Sandy Mewies:** Yes, absolutely. Previously, when we have taken evidence—and you will remember that we took evidence on the working-time directive—we reported to the Government, the European Commission, Members of the European Parliament, and to Parliament, I believe. I think that that was the first time that anything had been sent out from the committee. You are right to raise the issue. I have been discussing that recently with the clerk. I feel that if Members are asked to attend meetings and to look closely at matters and take evidence, something then has to happen. I do not think that there is anything to stop you from making recommendations should you so wish, and I do not think—although I do not know for sure—that there is any reason why, if Members wish, they could not go before the Assembly in some format.

[84] **Mr Sanchez:** I think that that is correct.

[85] **Sandy Mewies:** I cannot see an objection to that. I would have to check it out.

[86] **Nerys Evans:** Fel y dywedodd Mike, nid oes argymhellion yn yr adroddiad hwn. Beth a wnaiff ddigwydd nesaf? Cymerwyd y dystiolaeth hon fisoedd yn ôl bellach ac y mae pethau wedi newid. Er enghraifft, mae cyhoeddiad heddiw ynglŷn â JEREMIE, ac mae llawer o bethau wedi symud ymlaen. Mae Cymdeithas Llywodraeth Leol Cymru yn codi pwyntiau diddorol a chredaf fod pethau y gallwn eu hargymell i Lywodraeth y Cynulliad. Hoffwn hefyd gael diweddariad, oherwydd credaf fod hwn wedi dyddio erbyn hyn.

Nerys Evans: As Mike said, there are no recommendations in this report. What will happen next? We took this evidence months ago and things have changed since. For example, there is today's announcement on JEREMIE, and many things have moved on. The Welsh Local Government Association raises interesting points and I think that there are recommendations that we could make to the Assembly Government. I would also like an update, because I think that this is now out of date.

2.30 p.m.

[87] **Sandy Mewies:** You are also right about that. It has been problematic for us of late—and this is not a criticism of this clerk—that we have had two fairly rapid changes of clerk. It is not particularly helpful, in some ways, when people move on to do something else. What do you want to do with this? Do you want to come back to it, look at recommendations, or would you like me to get the clerk to clarify exactly what can happen? The question of exactly where this is going is on my mind all of the time. There is no point taking evidence if you are not going to do anything with it. I cannot tell you how much I agree with that.

[88] **Jeff Cuthbert:** On JEREMIE and JESSICA, we have to be sure that we are up to date. I read the announcement on JESSICA today, which I understand is scheduled to come into operation in 2010, once everything has been set up. JEREMIE is near conclusion, subject only to approval on issues of state aid rules with the European Investment Bank, which I trust will be forthcoming soon, and that will make a difference. In terms of what is written here—

[89] **Sandy Mewies:** I will stop you there, unless it is a matter of accuracy, as we will come back to this.

[90] **Jeff Cuthbert:** Sorry, I thought that is what we were on.

[91] **Sandy Mewies:** It is, but Mike has raised some very important points that he would like clarified. We can come back to this. I agree that those points needed to be raised. Can we move on from that?

[92] **Michael German:** Do you want areas where we can make recommendations?

[93] **Sandy Mewies:** I will close the meeting, and we can discuss this after the meeting.

[94] **Michael German:** Okay.

[95] **Sandy Mewies:** The papers to note are the minutes of the previous meeting. I thank everyone for coming today and taking part. The next meeting will be on 13 November, from 1.30 p.m. to 3.30 p.m.. With that, I declare the meeting closed.

*Daeth y cyfarfod i ben am 2.32 p.m.
The meeting ended at 2.32 p.m.*