



**Cynulliad Cenedlaethol Cymru  
Y Pwyllgor ar Faterion Ewropeaidd ac Allanol**

**The National Assembly for Wales  
The European and External Affairs Committee**

**Dydd Mercher, 12 Gorffennaf 2006  
Wednesday, 12 July 2006**

**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi 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 o'r Cynulliad yn bresennol: Sandy Mewies (Cadeirydd), Nick Bourne, Rosemary Butler, Jeff Cuthbert, Jane Davidson, Janet Davies, Michael German, Christine Gwyther, Ieuan Wyn Jones, Jonathan Morgan, Rhodri Morgan (y Prif Weinidog), Rhodri Glyn Thomas.*

*Swyddogion yn bresennol: Anna Daniel, Dadansoddwr Polisi'r Undeb Ewropeaidd, Gwasanaethau'r Pwyllgorau ac Ymchwil yr Aelodau; Gary Davies, yr Is-adran Materion Ewropeaidd ac Allanol; Ifona Deeley, yr Is-adran Materion Ewropeaidd ac Allanol; Nia Lewis, Swyddfa Ewrop a Materion Allanol, Swyddfa Brwsel; Neil Thomas, Pennaeth, Is-adran Materion Ewropeaidd ac Allanol.*

*Eraill yn bresennol: Julian Farrel, Yr Adran Masnach a Diwydiant; Anthony Gilmore, y Swyddfa Dramor a Chymanwlad; Andy Klom, Pennaeth Swyddfa'r Comisiwn Ewropeaidd yng Nghymru; Robert Specterman, Trysorlys Ei Mawrhydi; Mike Woolley, Yr Adran Gwaith a Phensiynau.*

*Gwasanaeth Pwyllgor: Chris Reading, Clerc; Sarah Bartlett, Dirprwy Glerc.*

*Assembly Members in attendance: Sandy Mewies (Chair), Nick Bourne, Rosemary Butler, Jeff Cuthbert, Jane Davidson, Janet Davies, Michael German, Christine Gwyther, Ieuan Wyn Jones, Jonathan Morgan, Rhodri Morgan (the First Minister), Rhodri Glyn Thomas.*

*Officials in attendance: Anna Daniel, European Union Policy Analyst, Members Research and Committee Service; Gary Davies, European and External Affairs Division; Ifona Deeley, European and External Affairs Division; Nia Lewis, European and External Affairs Division, Brussels Office; Neil Thomas, Head of Division, European and External Affairs Division.*

*Others in attendance: Julian Farrel, Department for Trade and Industry; Anthony Gilmore, Foreign and Commonwealth Office; Andy Klom, Head of European Commission Office in Wales; Robert Specterman, Her Majesty's Treasury; Mike Woolley, Department for Work and Pensions.*

*Committee Service: Chris Reading, Clerc; Sarah Bartlett, Deputy Clerc.*

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

## **Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **Sandy Mewies:** We have quite a busy agenda today. I remind members of their suggestion that we hold a brainstorming session to discuss ideas for Europe Day. I think that it was Rosemary's suggestion, and we will be staying behind after this meeting should anybody want to put some ideas forward just to start the ball rolling.

[2] I welcome all Members, standing invitees and the public. The simultaneous translation equipment will also help those with hearing difficulties. I ask that everybody switch off mobile phones, BlackBerrys and any other electronic devices. If there is an emergency, an alarm will sound, and everyone should follow the ushers' instructions.

[3] I have not received any apologies from Members. Of the Members of the European Parliament, Jonathan Evans, Jill Evans, Glenys Kinnock and Eluned Morgan send their apologies. I think that Ruth from Eluned and Glenys's office will be here in the public gallery. Of the standing invitees, Rose D'Sa sends her apologies.

[4] We have submitted the committee's response to the European Commission's White Paper on a communications strategy. All Members should have European brief No. 13, prepared by the Members' research service, which includes a summary of EU business considered by other committees and also includes a briefing on the Lisbon strategy, which is on the agenda.

[5] We hoped to hold this meeting in committee rooms 1 and 2 combined to give us a bit more room, but there are continuing technical problems with the sound system, so we may be a little tight for space, but I am sure that we will manage.

9.04 a.m.

### **Cofnodion y Cyfarfod Blaenorol Minutes of the Previous Meeting**

[6] **Sandy Mewies:** Do Members have any points of accuracy? I see that you do not, so we will move on to the actions outstanding, which are outlined in the paper. I understand that the clerk will keep himself very busy throughout recess, pursuing all the outstanding actions. Does anybody have any questions on that? I see that you do not.

[7] The other thing that we are going to do—

*Nid oes recordiad o'r cyfarfod ar gael rhwng 9.04.37 a.m. a 9.08.05 a.m.  
A recording of the meeting is not available between 9.04.37 a.m. and 9.08.05 a.m.*

*Cadarnhawyd cofnodion y cyfarfod blaenorol.  
The minutes of the previous meeting were ratified.*

### **Adroddiad y Prif Weinidog First Minister's Report**

[8] **The First Minister (continues):** —let us say, 2007, to apply, but if they had thought about it and if they were aware that the area would cease to have the same coverage for regional aid purposes in the months between now and 1 January, then they would bring the application forward and that would be dealt with by us. That is perfectly legal. Provided that the aid is agreed before the witching hour, which is midnight on 31 December 2007, it is perfectly legitimate, even if they do not make the claim and do not construct a new factory, office or whatever it is until 2008, say.

[9] So, it is important that people know. We have had some difficulties in getting the press to report this; it is as though we put a D-notice on it, basically. It is always better, if you want the press to report something, to call it a top-secret document and leave it on a photocopier somewhere in a public area, and then it will be run as an exclusive. However, if you say, 'This is a consultations exercise, will you please report it, because it is quite important?', the media think that it is very boring and do not put it in.

[10] What are the six areas? We will start from the east: Newport loses the Magor area, not the Llanwern area, junction 28 or the docklands of Newport, but certainly Magor, which has at least one big, significant employer around the intersection, comes out. There may be other tiny areas in Newport that are affected, but the big one to come out is Magor. Cardiff is a substantial loser in that Pontprennau to Cardiff Gate business park comes out; Cardiff bay comes out—that is, everything west of the river Rhymney—and the prospective super-duper business park around junction 33 and Capel Llaniltern comes out. In the Gwent area, the

Abergavenny-Crickhowell area comes out. In terms of north Wales, because the European Commission said that it was not willing to accept a slimline corridor connecting the Objective 1 area from Rhyl and Prestyn, and every area west of that, with Deeside and Broughton, and so forth. We have had to thicken that corridor, so the area of your constituency especially, Chair, has been substantially extended in order to provide a thick corridor connecting Deeside to Objective 1 and tier 1 north Wales areas.

9.10 a.m.

[11] So, we have been obliged to do something that we did not do last time, and that is to have many more wards, villages and small towns in Flintshire in the new tier 2 assisted area. It is out for consultation, but the consultation exercise is very short. That is a token of the fact that we do not expect the Department for Trade and Industry to object as the lead department with whom we have agreed the map, but there is a strong objection by the European Commission, of which we have had to take note, because the whole deal needs to be done and dusted so that everyone is clear as to where they stand well before 1 January when the changes come into effect. Once they come into effect, you cannot change them for another seven years.

[12] To move on slightly to the question of structural funds assistance, we all know where we are on the Objective 1 funding converting into convergence funding, but we are still out to consultation on the reduction of coverage in east Wales, which is not the same thing. You do not necessarily have a complete hand-on-hand perfect match between new Objective 2 funding and the new tier 2 assistance, which is how much state aid we can offer; there is no European money involved in it, really. That is a decision for us, but the map is not identical for new Objective 2 funding, but the broad thrust of the big shrinkage in Objective 2 funding is the same as the forces applying to tier 2 assistance, namely, there is a big shrinkage throughout the UK, and we have to take our share of the pain. On the structural funds, we hope that the resulting reduction in east Wales's Objective 2 successor programme, that is, the competitiveness programme, will be fairly small and reasonable. We hope that it will be about half of the present amount of assistance, but we believe that that is in line with what is happening in the rest of the UK.

[13] **Nick Bourne:** It is not on that issue, but there is clearly a lot happening over the summer with nuclear energy. It is a sense it is about the dog that did not bark, and it is an important issue. I was watching *Newsnight* last night and I heard the Prime Minister say that energy is the dominant issue on the European agenda, ditto the G8 summit. I thought that we were getting power over all large energy projects transferred. It seems that that is not the case, and that we will have no say at all in the Assembly over nuclear projects. Whatever our view is on them, I think that we should have a say. Can the First Minister give some background on that? I have tried in vain to get documents on this, but I am told that are top secret, and they are not lying around on photocopiers—I wish they were. There is clearly an international dimension to this, but where does the Assembly sit on this? It just looks to me as if all these decisions will be taken in Westminster without any reference to the Assembly.

[14] **The First Minister:** Going back to the 1940s, there has been a sharp difference between Scottish and Welsh devolution, in that Scottish devolution in electricity matters goes back to the post-war period, and the power did not transfer to Wales at any point. When these industries were nationalised, the hydro board and the Scottish electricity board, which were integrated distribution and generating bodies in Scotland, belonged to the Secretary of State for Scotland. The Secretary of State for Wales has never had comparable powers over electricity. We attempted, at the suggestion of the DTI, at the time of the Cefn Croes inquiry, which was the first inquiry to put to the test the idea that over 50 MW windfarms—it was also the first over 50 MW windfarm in the UK—should be done and dealt with by the Assembly, as we were doing most of the work.

[15] You and I had many exchanges at the time, during which I had to say to you, Nick, that your remarks were unhelpful, since you said at the time, ‘We want powers over windfarms so that we can stop them all’. I said that taking that attitude would not help us to get devolution, because you have to say that we will determine these in a judicial manner; we will approve some and not others, and so on. You probably recall those exchanges. The important thing is that this is run into the sand, because of the approach of the energy review. At this moment, we are merely consultees, and not statutory consultees, so, if, for instance, this was the state of play before and this will continue to be the state of play for the foreseeable future, although we maintain our wish to have it transferred to us—or at least part of the decision transferred to us—either by increasing the target total, or some other segmentation of the energy market, 50 MW is no longer the upper maximum in which we have the control.

[16] It means that, as we are not a statutory consultee, we cannot trigger a public inquiry if a potential generator wanted to site a nuclear power station in Wales. You can take Anglesey as the classic example—I do not remember seeing the *Newsnight* item, but I certainly saw Gareth Winston Roberts, the leader of Ynys Môn council, making it clear, for example, that Ynys Môn was desperate to have a successor power station. What that means, in effect, is that if Ynys Môn says ‘yes’ to a nuclear power station operator that wanted to site one at Wylfa, no public inquiry would be triggered, because the local authority has the lead role in triggering a public inquiry. It is not the only body that can trigger a public inquiry, but we certainly cannot. I think that the Countryside Council for Wales and Environment Agency Wales can. Informal soundings with them by Ynys Môn have indicated that they probably would not object either, because they would not have the basis for objecting on environmental or conservational grounds. That means that there would be no public inquiry, so the nuclear power station operator, if it so wished, could proceed without a public inquiry. We do not have the power to convert an application into a public inquiry because we are not a statutory consultee.

[17] **Nick Bourne:** I would like to come back on that, because it is important. First, I do not recall those exchanges as you do.

[18] **The First Minister:** I recall them very clearly indeed. There was a very severe warning from me to you.

[19] **Nick Bourne:** They were very much on the basis that we should have the ability to turn them down in Wales. Show me the evidence, if you are so convinced.

[20] **The First Minister:** I am very convinced.

[21] **Nick Bourne:** Then show me the evidence.

[22] **The First Minister:** Today? Now?

[23] **Nick Bourne:** You can do it at your leisure, but show me the evidence when it is convenient.

[24] On the more important issue, on which you have not answered, I understood that this power was being transferred. You talk now about a desire to have it transferred. Whenever I have asked, I have been told that this is an ongoing process of having this transferred. Is that the case or not?

[25] **The First Minister:** It is an ongoing process of negotiation to have it transferred, which has so far been unsuccessful.

- [26] **Nick Bourne:** Is it still ongoing?
- [27] **The First Minister:** We are still seeking the transfer.
- [28] **Nick Bourne:** That is different. Is it an ongoing process?
- [29] **The First Minister:** It has not been terminated.
- [30] **Nick Bourne:** You are getting very shifty on the issue.
- [31] **The First Minister:** I am not getting very shifty at all; I object to that strongly. I ask you to withdraw that remark.
- [32] **Nick Bourne:** I am sorry, but it seems to me that you are being shifty; that is a personal opinion.
- [33] **The First Minister:** You are repeating it just because I touched you on the quick about the previous remark. Is that it?
- [34] **Nick Bourne:** No.
- [35] **The First Minister:** I am terribly sorry to have touched you on the quick about that, Nick. I am just saying that, if you call me shifty, then I will ask you to withdraw it. Grow up.
- [36] **Nick Bourne:** I said that it seemed to me that you were being shifty.
- [37] **The First Minister:** That is the third time.
- [38] **Sandy Mewies:** I would prefer to go on with this meeting as we normally do. You may find that the process is not to your liking, Nick, or even what has happened in the past. However, we do not normally make personal remarks in committee.
- [39] **Nick Bourne:** I withdraw it in so far as it was a personal remark.
- [40] **The First Minister:** I am very grateful.
- [41] **Nick Bourne:** I think that the First Minister is being evasive on the matter.
- [42] **The First Minister:** Do you have a problem, Nick? I do not know what your problem is.
- [43] **Rhodri Glyn Thomas:** To be fair, the personal remarks were working both ways. I do not think that it was a one-way process.
- [44] **The First Minister:** Tell me what my personal remark was.
- [45] **Sandy Mewies:** Can I just stop you there?
- [46] **Rhodri Glyn Thomas:** The personal remarks were going both ways.
- [47] **Sandy Mewies:** Rhodri, I am chairing the meeting and I want to go on. We have deviated from the First Minister's report, and I do not intend to take other deviations, so I presume that people who want to comment now will be commenting on what has been said in the First Minister's report. Mike, I think that you indicated next.

9.20 a.m.

[48] **Michael German:** I want to take up the issue of the proposed assisted areas map, which, until 2014, has enormous implications for east Wales. We are losing out sections of Cardiff, Wrexham is not included, Powys is losing Machynlleth, and the whole area around Machynlleth is off the map. It is in the briefing that we have been given. The map shows—

[49] **The First Minister:** It was not in the old map.

[50] **Michael German:** It is, according to the MRS briefing. The area around Machynlleth is down as being a contiguous area in the existing map. I have the MRS briefing—I am sorry, but I can only go on what we have been given by officials here. The area map that we are worried about, of course, is the one whereby we are seeking to get better coverage. I can hold it up; map 2 shows the existing provision, and, quite clearly, Machynlleth is on it—*[Interruption]* I am sorry, Chair, but you might like to raise this with our Members' research service because its briefing to us is obviously inaccurate.

[51] **Sandy Mewies:** I have seen the same briefing.

[52] **Michael German:** It states on the bottom that it has Crown copyright. However, the important thing is that there is reduced coverage. First, on the criteria that have been adopted for drawing up this map, there are four key areas, namely employment rates, adult skills, capacity benefit claimants, and the manufacturing share of employment. To be eligible to be on the map you either have to be one standard deviation worse than the GB average, or half a standard in terms of any one of the indicators. So, that is half a standard deviation worse than the GB average in terms of at least two of the indicators. So, on that basis, can the First Minister tell us how many wards in east Wales would be eligible under the criteria? We will then know how many we have in and how many it would be possible to get in, which would then be the matter of debate.

[53] The second issue is the area of contiguity, and, again, I can only go on what I am given in the MRS briefing, which shows a map, which in the past was not contiguous because there were areas around what I think was Flintshire detached, on the border with England, which were not attached, according to this map from MRS, to existing areas. I note the First Minister's comment about corridors, but there was no corridor in that part of Wales beforehand, but there is a corridor now, obviously. As the First Minister is well aware, there are areas of deprivation in Wrexham for which, I am sure, the four criteria would have also been applicable. If I am reading this correctly, there are significant areas of Wales that could have been included under the criteria, and there are certain areas that have been left out because of corridors. I just do not understand what the logic is from the previous round to this round. If it was acceptable last time, why is it not acceptable this time?

[54] **The First Minister:** I will have to double-check the issue of Machynlleth. I had it in my mind, coming here to the meeting, but, in looking at the map, I may be wrong about that. Certainly, Wrexham was not included.

[55] **Michael German:** No; I know.

[56] **The First Minister:** The map confirms that it has not been in. I think that Wrexham, again, was subject to this confusion. I think that it was available to be funded because there was the urban programme through Objectives 2 and 3, but no part of Wrexham or any part of the Wrexham industrial estate had any tier 2 industrial assistance. However, I think that I may have been wrong in what I said about Machynlleth. We will double-check that.



[57] The issue, really, is that what you try to do in the negotiation on the tier 2 map—that is, lower case regional selective assistance—is to get the maximum amount of business parks into the tier 2 map with the minimum amount of population, because what they count is population. They say, ‘You will have a 30 per cent, 40 per cent or 50 per cent reduction in population’, so you try to include wards that have a very small population and a very large business park to the maximum degree that you can, and you finish up with a map that does look a bit like a dog’s dinner and you say, ‘Well, they will never agree that’. Then, you try to work it around so that, while you are continuing to try to minimise population, you try to get maximum business park potential in there. However, it has to look coherent, and it has to have adjacency to the Objective 1 area. Last time around, because Merseyside was also in Objective 1, you could work in certain parts—Deeside industrial park and Broughton—from the English end, as much as from the Welsh end. You could say, ‘What we are doing is infilling areas here, such as Broughton and Deeside, because, otherwise, they will be squeezed between two Objective 1 and tier 1 areas either side—Merseyside and the remainder of north Wales, from Prestatyn westwards’.

[58] This time, there was going to be a big shrinkage, but it has also tightened up the criteria on adjacency and we have lost the assistance of having Merseyside in Objective 1—therefore, tier 1—on the English side. That is why we have had to include a larger area of Flintshire than was strictly desirable, which has a lot of population but not many business parks. That is not what you want, but we have to thicken up the corridor to provide that adjacency on a more substantial basis than the little corridor that we had before—I know that this is terribly complicated, but these are the negotiations that have taken place. Then you say, ‘Okay, given that we are getting much less overall, we are having to add in a substantial chunk of Flintshire into the population total—into a smaller population total—therefore, something else has got to give’. That is why we have, we believe, a good outcome. However, it is the commencement of a consultation exercise, and all views will be considered before 7 August.

[59] However, as I warned before, you can see from only having three weeks plus a bit—four weeks maybe—for consultation, that it is not expecting major changes. Therefore, the logic of the individual wards will not always work out, because it has to make a pattern that the European Commission will regard as acceptable. Therefore, we cannot just add up individual wards—you start by doing that, and then you say, ‘But look at the map; that will never pass muster’. Once we had made the strategic decision that it was that important to keep in Broughton and Deeside industrial park, and so on, and with the loss of the Merseyside flanking cover on the English side, it meant that something in mid Wales and south Wales had to give.

[60] **Michael German:** How many wards were and would have been eligible under the criteria in Wales?

[61] **The First Minister:** We can do that exercise, but it will not tell you a lot, because if it is ‘dot, dot, dot’ here, it is like pinning the tail on the donkey; it has to make a donkey in the end, and you must have a substantial chunk of adjacency to the area. That was the problem in Newport and Cardiff. Previously, we had a little corridor coming down through Lisvane to St Mellon’s and you could then work out the whole coastal belt from Magor across to Cardiff bay, based on the connecting link around Lisvane through Old St Mellon’s. You cannot do that any more—it is out. Therefore, we had to find a different way of keeping areas of south-east Wales in.

[62] **Michael German:** I accept what you say, namely that you have traded parts of south and mid Wales for Flintshire. However, if you then look at the proposed assisted areas map, there is only one, or maybe just two, contiguous wards with the Objective 1 area for Newport and Cardiff. There is only a touching base, as it were—it may be a slightly thicker touching

base, but only two wards touch the Objective 1 area, so the corridor is only two wards thick.

[63] **The First Minister:** That is true, but the hammer head has been much shrunk. Now, from the river Rumney, say, you have a big area of industrial land in Wentloog, and so on, going through to Newport at junction 28, and Dyffryn, and so on—that is all in. What it would not allow was a small corridor and a long hammer head in the pattern that you can see on the existing area map. Therefore, you have shrunk it at both ends—there is no Magor and no Cardiff bay; the River Rumney is a natural geographical boundary, and at the end of the Llanwern site there is another natural boundary. Therefore, Mike, do not object to something that we have managed to get the European Commission to approve.

[64] **Michael German:** I am concerned about the loss. If you think about it, Machynlleth is sandwiched right in that corner, and it will now suffer greatly because it has similar economic characteristics to the Objective 1 areas that are to the north, south and west of it. It now loses that status, and several companies have already been lost in that area.

9.30 a.m.

[65] **Sandy Mewies:** Mike, I ask you to finish now, because others want to speak on this and we are running out of time.

[66] **Michael German:** Yes, but we need to know the answer to how many areas would have been eligible, and then we can work out our own ideas as to whether—

[67] **Sandy Mewies:** There will be a consultation on this until 7 August. To answer Mike's question, I make a request that one of your officials circulate that briefing to Members, First Minister, if they have not yet received it. Mine came yesterday, with the map showing the impact of tier 2 in particular.

[68] **The First Minister:** Indeed. All that I am worried about is the timing, because if individual AMs wish to make points, they need to make them pretty quickly. I am concerned about the length of time that it will take to carry out the exercise that Mike is talking about. I will have to consult with officials, but if the exercise is very complicated, then, by the time it is finished, it will be too late for the consultation. So, in a way, you have to get your contribution in to that consultation. If we can turn that around quickly, then, by all means, wait for it before you make your consultation response. However, if what you have asked for turns out to be a pretty big statistical exercise, we will have to warn people that it will miss the 7 August date, so there is not much point in our doing it.

[69] **Sandy Mewies:** In that case, could we have the information that is available as soon as possible? If the other information will take time, that could follow. Rhodri Glyn, could I ask you to speak in English for the moment because the translation facilities are down?

[70] **Rhodri Glyn Thomas:** I will try, although I may struggle a bit. You said in your statement, First Minister, that you are awaiting the figures for the structural funds from the European Commission. Are you sticking to that statement or do you now accept that the actual figures have been finalised by the European Commission?

[71] **The First Minister:** Are we talking about successor programmes for Objectives 2 and 3 or Objective 1?

[72] **Rhodri Glyn Thomas:** Objective 1.

[73] **The First Minister:** I think that we have a rough idea of the figures, though I do not think that the Council of Ministers has had that back yet from the European Parliament. We

believe that the European Parliament has approved it, but that does not mean that it has been approved definitively, because it now has to go back to the Council of Ministers. However, we do not anticipate a big problem. Final approval will be issued by the Council of Ministers. So, we hope that we can put the draft convergence programme out for public consultation during the summer; we will return to committee to discuss it further in September.

[74] **Rhodri Glyn Thomas:** Mae'n debyg bod yr offer cyfieithu yn gweithio yn awr, felly trof at y Gymraeg. O leiaf yr ydym yn derbyn bod Senedd Ewrop wedi cytuno ar gyllideb cronfeydd strwythurol Amcan 1. Bydd y broses ymgynghori yn digwydd dros fisoedd yr haf, ond a ydych yn poeni bod rhai mudiadau gwirfoddol yn poeni am eu cyllidebau ar gyfer a tair blynedd nesaf? Maent yn poeni bod y broses hon yn un fer iawn ac na fydd yn bosibl iddynt barhau â'r gweithgareddau y maent wedi ymgymryd â hwy dros y tair blynedd diwethaf.

**Rhodri Glyn Thomas:** It appears that the translation service is now working, so I will turn to Welsh. At least we accept that the European Parliament has agreed on the budget for Objective 1 structural funds. The consultation process will now take place over the summer months, but are you concerned that some voluntary organisations are worried about their budgets for the coming three years? They are worried that this process is a very short one and that they will not be able to continue with the activities that they have undertaken over the past three years.

[75] **Y Prif Weinidog:** Rhaid i bawb dderbyn y bydd y rhaglen sy'n dechrau ar 1 Ionawr yn gyfnod newydd o saith mlynedd, a bydd yn cynnwys elfennau newydd ac elfen mwy strategol, fel y dywedasom yn gyhoeddus. Felly, nid oes y fath beth â gwarant ar gyfer neb, boed yn gorff neu'n unigolyn sydd wedi ei gyflogi er mwyn gweinyddu rhaglenni. Ni fu byth sicrwydd y byddai popeth a gafodd ei ariannu yn ystod y rhaglen gyntaf yn awtomatig yn cael ei ariannu yn yr ail raglen. Efallai y bydd, ond efallai na fydd. Mae'n dibynnu ar safon y rhaglen a'r ergyd y mae'n ei chael ar yr hyn y mae pawb yn ei ddisgwyl gan Amcan 1, sef cynnydd mewn safon byw a llewyrch economaidd yr ardaloedd hyn. Ni fu gwarant o hynny erioed.

**The First Minister:** Everyone must accept that the programme that starts on 1 January is a new period of seven years, and it will include new elements and a more strategic element, as we have said publicly. So, there is no such thing as a guarantee for anyone, whether that is an organisation or an individual employed to administer the programmes. There was never a guarantee that everything that was funded during the first programme would automatically be funded during the second programme. It may be or it may not. That depends on the quality of the programme and its impact on everyone's expectations of Objective 1, namely an improved standard of living and improved economic prosperity in these areas. That was never guaranteed.

[76] **Christine Gwyther:** The convergence funding and other structural funds—*[Inaudible.]*—and that message comes across in terms of voluntary sector bodies. On the proposed assisted areas, First Minister, it is obviously good news for north-east Wales. I will try not to be parochial or negative, but I would seek to protect the Assembly's investment in infrastructure, as the programme is now. Can you tell me what the process will be? Assuming that this consultation is successful and that the proposed areas are agreed to, will any major changes be made to the trunk road programme to facilitate the new business parks or whatever in north-east Wales?

[77] **The First Minister:** Whether there will be additional business parks in north-east Wales as a result of this is a matter for speculation. The local residents of different villages in the Clwydian range may have views on business parks and on any trunk roads. We are not aware of any way in which that would impact on the distribution of trunk road expenditure throughout Wales. I think that the Chair, from her constituency AM standpoint, would confirm that some of these areas are quite keen on conservation and so on, and they are included for the specific purpose of providing a 'thicker corridor'. The thicker corridor may

not have that much impact on business park development.

[78] **Christine Gwyther:** May I ask a question on—*[Inaudible.]*

[79] **Sandy Mewies:** It was not on the First Minister's report, it came up in another way completely. However, you may ask the question if it is on what has been said already and is a brief question that has not been answered.

[80] **Christine Gwyther:** My question is on planning and the Countryside Council for Wales, First Minister. You said that as far as Wylfa is concerned—and I am quite sure that you are right—there would not be any great change in biodiversity to trigger a public inquiry.

[81] **The First Minister:** That is how we understand it, informally.

[82] **Christine Gwyther:** Would CCW have the ability to trigger a public inquiry as far as waste disposal is concerned? Would that be counted as part of any new application?

[83] **The First Minister:** I want to be quite careful about what I say in speaking almost on behalf of the Environment Agency Wales and CCW. The point that I was making was that the big statutory consultee was the local authority. Local authorities can trigger or choose not to trigger a public inquiry if they simply say, 'Yes, we like the idea of having a nuclear power station at Wylfa'. I was making the point that we are not statutory consultees and so we cannot trigger a public inquiry. However, the issue then is that the local authority is not the only statutory consultee. I must not speak for EAW and CCW; they have their own independent constitutions, and if I was to appear to be speaking for them, I am sure that it would put their backs up and I do not want to do that. I just wanted to warn the committee, in case you thought, 'Oh well, it is okay because CCW and EAW are bound to want to trigger a public inquiry', as we understand, informally, that they would probably not have the basis for doing so, because of the quite modest environmental and countryside conservation implications. That is how we understand it, but they may get their lawyers working on it and the outcome could be quite different, because they are quite independent on these matters.

9.38 a.m.

### **Addysg UE yn Aelod-wladwriaethau eraill yr Undeb Ewropeaidd EU Education in Other Member States of the European Union**

[84] **Sandy Mewies:** This item involves a piece of work that we asked Andy Klom to produce. He has done a marvellous job; he has lots of handouts, tapes and so on. Andy, have I read that you want these items back because they are going to the education department? Have I got it straight in my head that these items can be circulated, but that people should not take them away?

[85] **Mr Klom:** To give you a clear picture, we made a request to colleagues in other representations of the EU and those who have replied sent us only one copy of each type of product that they had available. As the request of this committee was similar to that which I received from the Minister for Education, Lifelong Learning and Skills, my proposal was to provide the information to this committee for its review, and that, eventually, you could pass it on to the Minister for further use by the Assembly Government.

[86] **Sandy Mewies:** Okay, thank you. Now that I have heard that, perhaps you would like to introduce the item. Congratulations, by the way, on doing so much work and on contacting so many people—and on finding so many questions that I could not answer.

9.40 a.m.

[87] **Mr Klom:** I will try to pass those kind words on to colleagues in other representations, who are responsible for the greatest part of the work. As you may have seen in the report, we do not have a full overview; it is just a partial overview of many aspects of what is available, as we could not get responses from all national authorities in the member states. A pattern can be identified in the responses. There are countries in which the government is clearly strongly involved in providing and producing materials to schools, and where national governments together with the commission representation are closely collaborating in providing materials to schools. It is often the commission side that provides a number of products and the national Government that takes care of their distribution and inclusion in the curriculum. There are also those countries where the European Commission representation has a greater role in providing information in the absence of government measures there. Some of the very positive examples that we have received come from countries like Finland, Sweden, Austria, Ireland and Spain, where, even without the help of the commission representation, EU studies are firmly part of the curriculum.

[88] I could not provide all the materials that we received in an electronic format, unfortunately, which is why I have brought them along today, just to show a selection of what is available and what is possible. I also wanted to distinguish between the different types of material that other countries make available to schools. There is a range of material that is playful and is geared towards the younger public and is very much based on games. I have the Europe game in a Finnish, Austrian and German version if you are interested in that, and it is clearly aimed at a younger public. There are also those that are aimed at a far more mature public and at secondary school children, and which go for the textbook approach. These textbooks have not been produced in any way including an involvement of the European Commission; they are very much national products. A very impressive one that I have just received from the Austrian representation of the commission was launched just before the Austrian presidency, and it has now been introduced to all Austrian schools. It is fully financed and set out by national authorities, its central bank and chamber of commerce and its ministry for education, and it has taken a very sexy title, 'EU for YOU!'—in English—to sell this to Austrian teenagers. It is quite extensive; it has 150 pages of clear information about the EU and why Austria is part of it.

[89] The same goes for Finland. You have received, in electronic format, the tables of contents of the Finnish books that we received, just to facilitate your understanding of what the content might be about, because, of course, Finnish is less accessible to us. Finland has provided us with a range of books similar to the Austrian ones, but which are even more detailed, and they are used in high schools there as well. So, all of this material has been provided to the Assembly and, eventually, to the Government as well, and it shows that there is lots of material of a more serious nature.

[90] One thing to highlight is that several special products are available in other countries. There is a very interesting one in Ireland, which has produced a DVD called, *Ireland in the European Union*. It is produced by a company based here in Cardiff, as it happens. That is most interesting because, as you may have seen in the electronic annexes that we provided, a group of Irish teachers, with the assistance of the commission's representation in Dublin, prepared this extensive course. I have tried to print it, but have done it only once for the Minister; we have provided it to you in electronic format, which is far easier. It is very extensive and thorough and will become available this autumn to Irish schools. The authors have made it clear to me that there is no copyright on the material, so it is in English and has no copyright attached, so it is useable by others who may have an interest.

[91] Apart from all of that provided by countries, authorities and commission representations in other EU member states, we have several products available in Wales, which I wanted to bring to your attention and which I mentioned at the end of my report. Over

the past five years, three publications have been published in Welsh and in English, specifically by the commission office here in Cardiff. That is quite a low number for a period of up to five years, going back to 2000, and that is why I wanted to indicate that we are trying to have the three most popular publications that we have in English in Wales translated into Welsh before the end of this year. I know that they are quite popular because we were just at the international eisteddfod for the whole of last week and we handed out thousands of these publications to schoolchildren and parents, and also to teachers. Many teachers came up to us asking for boxes full, which we could not cater for, and of course we do not have the distribution facilities. However, it shows the great potential. These three publications are being translated into Welsh this year, and are already available in English, as are a range of up to 10 to 12 other publications in the same series. It is a series of European Union information brochures, some general and some more specific, which the EU produces to inform citizens. Depending on the age group and the level of understanding, many of these could also be used at schools to supplement materials that might be developed locally.

[92] To put it in a short overview, and it is a partial overview, we could not get information from all EU member states, unfortunately, which might indicate a lack of activity on their part. However, I have picked up a report this week that the French and German Governments have jointly published a new history book about the history of Europe since 1945. That is a joint product of German and French historians, which is being issued in two language versions, but with the same content. Also, there are bilateral initiatives taking place that do not have any involvement from EU institutions at all. That is just to sum it up. I am leaving this at the disposal of the clerk and of the committee, with the understanding that it can be passed on to the Minister, once Members have been able to take a full view and review everything that is available.

[93] **Michael German:** I thank Andy for his extensive work on this issue. I can sense that there may be a doctorate or something for someone in reviewing all of this material over a longer period. However, the interesting point in your report seems to be in paragraph 17, in which you talk about the European Commission's material, because that is what we are clearly falling back on in Wales at the moment. There is not anything that you have been able to find that is not from the European Commission that is available to young people or in their schools in Wales. You say that most of the material is of a factual nature and does not constitute teaching material, and that is an important distinction to make, because factual information is simply that, while teaching material has the purpose of putting things in context and helping people to reach decisions and come to conclusions about information. Am I right in saying that you have not been able to find any teaching material relevant to children in Wales, apart from what you have done yourself?

[94] **Mr Klom:** If I understand the question correctly, we have been very much looking at other member states, rather than this member state. I also failed to mention the product that, by coincidence, I picked up here while visiting a public library on a Saturday morning. It is a nice, new brochure from the Foreign Office, which was issued in the spring of this year, which explains the EU from a British perspective. That was something that I did not receive officially, but just found by accident. To answer your question, we have not reviewed the situation here in Britain, because the request was to look at what other countries are producing. We also know that in the English language, there is a large range of textbook material available on sale commercially regarding the EU, some of which could be used to develop teaching material more appropriate to the age and level of understanding.

[95] As you correctly stated, what we can provide, and what we are trying to provide on a continuous basis, and which will be provided through the Europe Direct centres in the future, are factual pieces of information and promotional material trying to explain the EU. They could be used as part of a course, and supplement and illustrate what is provided, but could not be the substance of a course. I think that the course material that we received from

Ireland, which is quite extensive and forms quite a thorough and lengthy course, indicates where such material could fit in to a more structured setup.

[96] **Rosemary Butler:** Will you pass the 12 publications around, so that we can have a look?

[97] **Mr Klom:** Certainly.

[98] **Jonathan Morgan:** My question is in relation to the curriculum, and I suppose that it is more of a question for the First Minister than it is for Andy. In terms of the changes to the school curriculum, and in particular the development of the 14-19 Learning Pathways, has much consideration been given to how pupils become more aware of our position as a nation, not just within the UK, but within the EU and further afield?

9.50 a.m.

[99] If there is provision within the changes to the curriculum, how does that compare to the previous teaching of 'Wales and the World', which was included as part of the original citizenship agenda? Also, it is a separate issue, but one way, particularly in schools in my area, of encouraging and facilitating an enjoyment and an understanding of people who live outside of the UK is the twinning arrangements that can take place between schools. More often than not, that is down to a particular teacher who has contacts elsewhere and who is willing to spend time setting up those sorts of visits or twinning arrangements. Is there something that the Assembly could do to assist schools or provide some information to them as to how to go about doing this? Part of ensuring understanding is not just about providing information on how the EU operates, what the commission does and what the council does—although it is relevant, it is all very dry—but about how you provide that wider understanding of what other countries are like and what life is like in places outside of the UK. What can the Assembly Government, and the Assembly in general, do to assist in that process?

[100] **Sandy Mewies:** As I recall, at the moment schools do case studies of schools that would be similar and also totally different. Very often, schools look at countries in the EU or in other continents. There is mention in here of the Comenius and Leonardo educational provisions. There are educational programmes going on, and I think that the uptake in Wales is higher than that in a lot of other places.

[101] **Jonathan Morgan:** But does that happen as a matter of course, and are schools made aware of the opportunities that exist in terms of the Leonardo project, or is it left to teachers to discover that information themselves?

[102] **Sandy Mewies:** I cannot answer that accurately. I suspect that that happens. Do you have the answer, Andy?

[103] **Mr Klom:** One of the new Europe Direct centres, the European Centre for Training and Regional Co-operation, which is based in Llangollen, has been using Leonardo and other EU educational programmes for the past 15 years. I am not aware of other centres in Wales that have that type of expertise—there may be more—but this one happens to be quite well known.

[104] **Michael German:** On that point, you may recall at our last meeting, at which there were representatives of people who promote the use of those programmes, we had a discussion about the overlap with the British Council, which formally has that role in Wales. It would be useful to have some scrutiny of that issue of the British Council and its role, because it is supposed to be the UK Government's promotional arm for Comenius within Wales.

[105] **Sandy Mewies:** We can do that, but Jane Davidson is coming to this meeting, so maybe that is a question that we can pose to her, unless anyone else has concrete answers.

[106] **The First Minister:** I was only going to say that the Welsh baccalaureate and the 14-19 Learning Pathways will have a kind of ‘Wales, Europe and the World’ key component in them and the review of the curriculum for the 14-19 Learning Pathways gives us an opportunity to reinforce European aspects of the curriculum. As regards Welsh-medium and bilingual teaching classroom materials, we are exploring how our commissioning programme for those might be able to support the development of a high-quality European teaching resource. So, the overview that Andy has provided of what they do in all the other countries is very useful.

[107] **Jeff Cuthbert:** Following on from that point, in the Welsh baccalaureate ‘Wales, Europe and the World’ is part of the core, and I dare say that as the students’ knowledge is assessed, we will have a good feel as to how the type of material that is used is actually sinking into the knowledge of learners. I wanted to ask Andy a question on the material, and I read the briefing that you gave us, which was extremely helpful. Is the material provided through the school system in other countries to increase awareness and knowledge, or is it a formal part of the curriculum, and therefore assessed in some way?

[108] **Mr Klom:** Both outcomes can be found in different countries. In certain countries, it is a core part of the curriculum; it is tested and examined, and it is part of a longer-term course of education, especially in the secondary levels of schooling. In other countries, it is also used as illustration, as material for a short-term, ad-hoc class week about the EU or Europe. So, it can be used in both ways. I have to say that the ‘models’ that we have seen being pursued in countries such as Sweden and Finland are a mix of both. The commission representation provides information, brochures and materials that feed into the national educational programme curriculum, which is underpinned by core textbook material. The commission provides that information in huge numbers—the report says that up to 60,000 copies of brochures are provided to national education authorities, and they then take care of distribution to schools and its inclusion within the package that is already available there. One point that I have to underline in reference to that ‘model’, if you can call it such, is that such a setup would not be possible for the commission independently here in the UK, because EU institutions are considered to be political or politicised institutions. So, we are not allowed to send even these basic brochures unsolicited and uninvited to schools, because they would be seen as a form of political propaganda. We have to very much work together with national strategies and national authorities that would be willing to include these materials in whatever has been set up.

[109] **Rosemary Butler:** Can they be sent us, and we then distribute them?

[110] **Mr Klom:** Certainly. The experience at the International Eisteddfod last week was that, just with these basic brochures, we handed out thousands of copies, and that was just because we did not have enough transport capacity—we could have brought in even more. There is a huge demand, it seems, and although that is very much an impression, it is a clear indication of what might be possible.

[111] **Nick Bourne:** Is that true of the whole of the EU, or is that just the UK’s attitude that you cannot send them out to schools?

[112] **Mr Klom:** That is particular to the UK.

[113] **Sandy Mewies:** I think that we have discussed this before. It is particular to the UK, and I am quite disappointed to hear that people were asking for this information—it is not a



criticism; I realise that you have distribution difficulties—who could not get hold of it. I would like to see some of these brochures, as they look much easier to understand than some of those that I have been sent in the past. It is interesting to see how other countries are embedding European studies in primary schools through to secondary schools and into university. There are examination subjects in some areas, and they are introduced as part of the personal and social education curriculum. It just goes to show. I was quite surprised to see how interesting the material is. One of the things about the EU is that facts and figures are a bit of a turn-off sometimes, but I am interested to see how these are presented. Is there any way in which we, as the Assembly, could disseminate some of the information that people want from you, but which you could not give them? Can we make inquiries about that?

[114] **Mr Klom:** I am aware that the Assembly as an institution has offices in different corners of Wales as information points to provide information about what the Assembly is doing. We would be most happy to provide them with the information that we can provide to you, which you could then make available to the people who come in with inquiries about the Assembly, but you can even reach beyond that.

[115] **Sandy Mewies:** If committee is happy, I can ask the clerk to explore ways in which to do this. It does seem a shame that people are asking for this information and cannot get it. I will ask the clerk to explore ways in which we can perhaps co-operate in that.

[116] Thank you for that, Andy; it was really very interesting. A lot of work is going on there, and I found it fascinating to see the different ways in which this is done. Perhaps committee members would like to think about whether they would like to visit at any time any of the areas mentioned. Please think about that and you can discuss it with either me or the clerk.

9.59 a.m.

### **Cymru yn y Byd Wales in the World**

[117] **Sandy Mewies:** This item is related to the previous one, I suppose. The First Minister will introduce this item before handing over to Gary and to Ifona, who is here now.

[118] **The First Minister:** Here she comes; her timing is fantastic.

10.00 a.m.

[119] I will just make a brief introduction. We are grateful to the committee for requesting this, because this is the first time that we have tried to crystallise the purpose or different purposes in one document and, where there are different purposes, how they relate to each other for all of our external relationships. It is partially about image-building for Wales to try to raise our profile, recognising that our profile internationally is so much smaller, relative to our size than that of, say, Scotland and Ireland. If we can do something to try to close that gap, it would be of benefit in promoting tourism in Wales, exports from Wales, inward investment to Wales or students coming to our universities and so on. We must accept that, whereas Scotland and Ireland are 60 per cent or 70 per cent bigger than us, they have an international profile that is 600 per cent or 700 per cent bigger than ours. We want to see whether we can do something about that.

[120] Secondly, you have to think about other aspects as well, where you engage directly in overseas trade missions and so forth. That implies that Ministers will sometimes accompany the trade commissioners and the officials who support them. We must then work out, if Wales has twinning arrangements with countries or substantial regions, provinces or states—

whatever they are called in a particular country—how many we should have. We cannot have too many, otherwise we would be spreading the butter far too thinly on the bread. We have listed those with which we do have relationships. People may be surprised to find that Lesotho is not down there, but that is because the incredibly close relationship between Wales and Lesotho is not Government-led; it has been primarily Christian-churches led, although there is a big practical component to the relationship at our end, because of the way in which teachers are funded to go there for career development purposes, as well as to provide an education service where they work. Around 20 teachers are usually on the programme to teach in Lesotho.

[121] There is then the issue of how we use particular symbols in relation to Wales, such as on St David's Day. You cannot be in 50 countries at once on St David's Day. We might manage three over a two-day period, but there are limits to what you can do. However, we need to try to engage the Foreign and Commonwealth Office and other bodies in promoting Wales on St David's Day, because there is quite a tradition abroad of trying to highlight and promote another country, about which people may have heard a little or a lot, on its national day. So, there is a question of how we use St David's Day. Gary or Ifona, do you want to add anything to that?

[122] **Mr Davies:** As the First Minister said, I welcome the opportunity to update the committee on the range of external relations activity that we have been undertaking over the past 12 to 18 months. The paper, I hope, is largely self-explanatory and I do not propose to go through it in detail, but I will highlight one or two of the issues under the five main areas in which we have been engaged: international relationships; the image and the branding of Wales; promotion and marketing; events and visits; and working with and through others.

[123] On international relationships, the most active are outlined in the paper, including our relationship with New South Wales, which is now 11 years old, Latvia, Chubut, Silesia, Catalonia, Brittany and Chongqing. I would just highlight that the most recent of those is the agreement signed with Chongqing. I am afraid that there was a typographical error in the paper; it was in March 2006, not March 2005. That has lots of potential for Wales across the full range of the areas that the First Minister referred to; we have already received one delegation from Chongqing and we are expecting another in September. We hope to take a trade mission and an education delegation out to Chongqing in October. That has got off to a good start and has lots of promise.

[124] I just want to refer briefly to the plan of action that we signed with Brittany, which the First Minister visited last month. The areas are outlined in the paper. It is the most detailed plan of action that we have signed for any of our relationships. Later today, the First Minister is meeting the Latvian minister for economic development, who has brought 35 companies over for one-to-one discussions with Welsh companies, so that is another productive relationship. It has really taken off in the time that it has been in place.

[125] I will briefly mention the multilateral relations that we have, particularly the presidency this year of REGLEG, the conference of European regions with legislative power. We have given a paper to this committee previously, but just to mention it, in November, we will have a conference of European regions with legislative power here in Cardiff.

[126] I will also mention one of the achievements of our presidency, namely the setting up of the Committee of the Regions intergroup, and the fact that Rosemary Butler has been elected second vice-president of that group.

[127] On the image and branding of Wales, the major development in this regard is the culmination of work that we have been doing in the past couple of years in bringing forward a new Wales/Cymru brand, which also has a new visual identity. That positions Wales as a

nation of creative thinkers—that is the key core thought behind the new brand. We will roll that out in the new material that we produce, as the old material is exhausted. We put on a briefing for members of this committee and those of the Enterprise, Innovation and Networks Committee back in June, but I know that several Members were unable to make it to that briefing session. We would be more than happy to rearrange it, if Members wanted us to do so.

[128] On the promotion and marketing of Wales, the First Minister has already referred to St David's Day, and that is the hook that we are using, particularly with the Foreign Office posts overseas. We have had a lot of assistance from the Foreign and Commonwealth Office over the past couple of years. I think that we have an advantage in that St David's Day comes first in the calendar year before St Andrew's Day, St Patrick's Day and St George's Day, and so officials can take a bit of a breather. They have been very helpful. We have also used St David's Day over the past couple of years to showcase Wales. Last year, we had a showcase of Wales in Dubai; this year, in Hong Kong. We have also arranged activities in other places. We have a Wales Week in New York, for example, and we have a range of activities in Brussels. Members of the committee were there this year when we put on the reception, and that builds around the creation of the new office there. We held events in London and in Cardiff this year, particularly on the eve of the opening of the new Senedd building. Members of the committee who attended that dinner will, hopefully, have received the gift box that we produced to mark St David's Day as a way of promoting Welsh produce. If you pardon the pun, I think that it went down very well—in Wales and particularly overseas. We have seen the benefits of taking that approach, where we use external relations activity to try to promote other areas of Welsh economic interests. That gift box, for example, encouraged the British ambassador in Rome, Sir Ivor Roberts, who is Welsh by origin, so, when celebrating the Queen's birthday, it was seen around Wales. In addition, the British High Commissioner in South Africa, having received that box, will put on Welsh food and drink when a trade mission goes out to South Africa later this year.

[129] The other major development under the heading of promotion and marketing is the overseas presence that we now have. With the merger of the Welsh Development Agency into the Assembly, it gives us a total of 21 locations overseas where there is an Assembly Government presence. That is set out in paragraph 19 of the paper.

[130] On events and visits, we have outlined in the paper a number of the international events that are held inside and outside Wales, which we have used to promote Wales. There are also details of ministerial visits, to which the First Minister referred, particularly attaching to trade missions. We are also putting a lot of effort into inward visits to Wales, particularly by VIPs. I know that the Chair has been kind enough to host a number of the visits by ambassadors, and so on.

[131] I will make particular mention of the UK presidency of the European Union last year, and the fact that we were able to attract a number of presidency events to Wales. I refer particularly to the Gymnich meeting at the Celtic Manor Resort and the EU Competitiveness Council at Cardiff City Hall, which gave us the opportunity to showcase Wales to a very influential audience. Those and the other events were extremely successful.

10.10 a.m.

[132] In addition to the visits inward, the Assembly Government organised 32 trade missions overseas last year. They were organised by WalesTrade International, which is now called International Business Wales. Each time, they were used to promote Wales in the round.

[133] I would like to make one final mention of overseas events. We have an exhibition on

Welsh immigration to the United States at the Ellis Island Immigration Museum, which is running from June to September. A million visitors are expected to pass through the museum. I am not saying that they will all visit the Welsh exhibition, but we know that the curators of the museum, who are quite strict regarding what they will accept, have been very impressed by our exhibition and they are looking to move it to one of the museums at Washington. We have an idea to tour the exhibition around the United States.

[134] Another area that I would like to refer to is that of working with and through others. We receive assistance from Foreign and Commonwealth Office posts overseas and in London, and from other UK bodies that have a remit to represent Wales as a constituent part of the UK. I refer specifically to VisitBritain, UK Trade and Investment, and the British Council. We have an excellent relationship with the British Council here in Cardiff, as well as with the head office in London. We also work with the diplomatic corps, particularly with the consular association in Wales. It is interesting to note that we have had five new honorary consuls in the last 18 months or so: from the Czech Republic, Estonia, Jordan, Kazakhstan and Slovakia. We are continuing to encourage others to establish not only honorary consuls, but permanent consulates in Wales.

[135] That is all that I have to say, Chair. We would like to offer to bring an annual report before the committee with this sort of round-up.

[136] **The First Minister:** I think that that would be useful.

[137] **Sandy Mewies:** So do I.

[138] **Ms Deeley:** I would just like to add one brief thing. Hopefully, the paper is self-explanatory, and the comments made by the First Minister and Gary give a clearer picture of the international activity taking place to promote Wales overseas. One of the things that we need to recognise is that resources are fairly limited and, therefore, we need to be strategic in the way in which we operate. That includes the number of memoranda of understanding and alliances that we have overseas. It is far better to have a handful of relationships that work well for Wales than a deck of cards that is completely meaningless. That is all that I would like to say.

[139] **Jeff Cuthbert:** I would like to make two quick points. The first relates to working with and through others. No mention is made of the Commonwealth. [*Inaudible.*] Could you say briefly how that contributes to a greater understanding of Wales? Earlier in the document, under the first 'international relationships' heading, the final paragraph is on the European Association of Regional and Local Authorities for Lifelong Learning—Jane Davidson is the vice president, so I may ask her about this later—could you say whether there has been any further work on developing a European qualifications framework, particularly craft qualifications, with more and more people, particularly from eastern Europe, coming here to work? Are any developments taking place to ensure that there can be a cross-referencing of qualifications, so that competency can be established?

[140] **Mr Davies:** I will take the second question first. The answer to that is that I do not know, but perhaps the Minister will, given that she is an active member as vice chair of the association to which you referred. I do not know whether EARLALL is dealing with the recognition of qualifications. I could come back to you on that one, if you would like.

[141] On the Commonwealth, we do not deal directly with the Commonwealth association. There is a relationship between the Assembly and the Commonwealth Parliamentary Association, and we keep in touch with Assembly Parliamentary Service officials on that. We have dealings with individual members of the Commonwealth—particularly Canada, Australia, and so on—but not with the association directly.

[142] **Sandy Mewies:** Okay. Thank you. Do you want to come in, Christine?

[143] **Christine Gwyther:** Although my question is on branding, I did go to the briefing, which was really interesting. I had actually gone with a heavy heart because we had badged it as, 'Come and learn about branding architecture'; what on earth is that? However, it was a really good briefing and I would recommend it if you can put it on again. I think that the three key messages that we were putting out—the spirit of the people, the spirit of the place and the national attitude—will really embed themselves in our national psyche. I was really quite impressed by it. I am sure that businesses will feel that they know Wales and that they know us before they come here, which is important for business-to-business contact. Has it actually been road-tested on a set of individuals outside this organisation yet, and is there a similar-sized country or region that has used something such as this and from which we have taken the idea, or how did we actually get the idea?

[144] **The First Minister:** I do not know about the answer to the first question, but, in response to the second question, we did look at similar examples of branding exercises—the ones in Scotland and New Zealand spring to mind.

[145] **Mr Davies:** Yes; that is right. The brand that has been developed and was launched in April is a combination of work carried out over a couple of years. We did look at New Zealand, as the First Minister mentioned. A lot of research was done with focus groups and so forth overseas as part of the earlier work. As regards this particular brand, I think that surveys were taken among people outside the Assembly. I do not know the details, but I know that some companies were asked about the idea. I think that the presentation brings out the new challenging approach that we are taking. We are now producing guidelines on how the brand can be rolled out, in terms of how we deal with relationships overseas, in particular. I think that that will be a challenge for us because it is quite a shift in how we are presenting Wales. We are going down the same sort of road that countries such as New Zealand and Spain have gone down, whereby they have tried to shift that image. Those two countries have perhaps focused more on the logo itself than we have. The logo is just one part of the new brand, and a small part at that. We are looking at a change in attitude in terms of promoting Wales overseas. As you say, it is the spirit of the people, the spirit of the place and the national attitude that we are focusing on.

[146] **Christine Gwyther:** I think that this will change how we portray ourselves as being Welsh because it is modern and quirky, but it is not scary. For that reason, I think that it will have a slightly longer shelf life than some previous branding exercises might have had, and certainly on a local basis. It is a job well done.

[147] **Sandy Mewies:** Do you want to come in, Rosemary?

[148] **Rosemary Butler:** I would just like to say that this is a good report. Having been involved in the previous report a few years ago, I think that it is really excellent. It shows exactly what we are doing. On changing attitudes, you also need to change attitudes here. I am just wondering whether this exhibition at Ellis island is on the web, and whether there is any chance of it being displayed somewhere in Wales, because I think that it would be quite useful, from our point of view, for people to see that, without us, America would not be what it is. Perhaps we are not allowed to say that or we will be blamed for all of the bad stuff.

[149] It would be interesting, Chair, if we could have a list of the Commonwealth Parliamentary Association visits. I know that there is an annual report, but it would be quite useful for us to have a list of the CPA visits that Members have made and then try to link the two together. I think that there is an annual report that goes to the CPA, but I do not think that it is widely circulated. I know that Mike, for example, went to Lesotho, and it would be

helpful to add that.

[150] I think that the new image, brand or whatever will make such a difference, but the one thing that I found, which, again, is not mentioned here, is that when I have spoken to people, I find that their perception is changing. I was fortunate enough, as part of the last review, to go to the Isle of Man to the opening of the Tynwald, and there were people there from Iceland, Finland and Norway whose perception of Wales is changing. There are also the people who came to the opening of the new Senedd building—that was a huge international publicity event. That seems to have spun off as well, in terms of Wales being a new, modern country. Therefore, this is good stuff.

10.20 a.m.

[151] **Michael German:** If Members received a copy of the CPA—[*Inaudible.*]—would it be sensible to get colour copies, because we can only print in black and white in our offices, and perhaps attach them to the back of the next papers to note for the next meeting? They are circulated, but they often bypass people.

[152] **The First Minister:** It would not be appropriate to include CPA visits in this report. They could perhaps be published around the same time, and considered together, and so on, but one is strictly parliamentary, if you like, as distinct from governmental-type activities; the spin-off is there, but I do not believe that one would want to confuse the two.

[153] Secondly, you mentioned that perceptions in the Isle of Man are changing. The point emerged from discussions when we had lunch with the Lord Mayor of London, and the various—I cannot remember their complex series of titles—sheriffs, and so on, who came down with the co-operation visit. When you mention to them that we—and when I say ‘we’, I mean Wales as a country, not the Assembly or the Assembly Government—have delivered the Millennium Stadium, the Wales Millennium Centre, and the new Senedd building for £300 million less than the cost of the overrun on the new Wembley Stadium, they are duly impressed that Wales is a can-do country that gets on with things and delivers things. It made them think—they warmed to that theme.

[154] **Ms Deeley:** I will answer the point on Ellis island. You mentioned the exhibition possibly being shown in Wales at some point. We are considering that—when it comes back after touring the States, we will look to put it up in Wales somewhere, so that the people of Wales can find out more about what we did in relation to the influence in America.

[155] **Jonathan Morgan:** I have some questions on the image and the branding. I did not get to go to the briefing that Christine mentioned. However, in terms of the work that was done, who did that? Was it advised and informed by people from outside Wales, because it is important to know what other people think of us, as opposed to our sitting down and deciding what we think of ourselves? What is it about these three values that sets us apart from other small European nations? If you are branding and marketing a particular project, and you are trying to tell people what it is about you that is best over others, there is no point setting out a statement of values and descriptions that, frankly, could apply to other EU regions and nations. There is not much in here that tells me why and how we are selling Wales as a nation that could not just as easily be applied to other areas of the EU. I am sorry if that is slightly negative compared with Christine’s and Rosemary’s views, but it seems as though you have run out of descriptive terms, having listed most of them.

[156] **Mr Davies:** It was unfortunate that you were unable to come to the presentation, because the presentation can explain the new plan far better than I could, and far better than anything that we could put in a paper. Therefore, there are limitations to what we could put here.

[157] We looked outside Wales. The research to which I referred earlier included research in other countries to see what was their perception of Wales. We are also looking at what perception of Wales would have the most influence on people. It is important that we do not present Wales as we think of it ourselves, because we have to look at the people looking in. It is important that the image and brand of Wales that we present is an honest one, and is one that the people of Wales can relate to. It is pointless to manufacture an artificial image and brand of Wales, which, with just a little scratch under the surface, people will find out is not true.

[158] Therefore, we believe that we can point to the three core values that are outlined here and say that these are the genuine values that apply in Wales. That is not to say that there are not other countries, somewhere in the world, which cannot point to the same sorts of values, but we are not aware of any other country that has taken this significant step in terms of its branding. We have referred to New Zealand; what sticks in your mind about the New Zealand campaign is the phrase '100 per cent pure'. We have seen the new brand developed for Spain, which has turned the image of Spain around over recent years.

[159] We need to develop a brand that is, as I say, honest and true to the core values of the people of Wales, and which they can recognise and believe in. We think that these are those values, but they are also ones that strike home and stick in the memories of the people to whom we are presenting this image overseas.

[160] **The First Minister:** I will briefly add to that. When we heard the presentation on New Zealand four years ago, the image consultants said that there were two ways of promoting the country because New Zealand is a long, thin country stretching around 900 miles. You can either think of the New Zealand populace as a rain-swept bunch of sheep herders at the wrong end of the world—I think that is what they said—or you can see the country as a near sub-tropical paradise. People wanted to get away from the perception of rain-swept sheep herders and try to get people to see the country as the garden of the Pacific. It is a better image, which also helps you to sell kiwi fruit, wine and the new produce that New Zealand is offering in order to change the image. So, that is what they set out to do, and they have been fairly successful, because you want to emphasise the positive, the modern and the direction in which you want to travel, rather than old-fashioned perceptions. Again, because of the huge changes that have taken place in Wales over the last 50 years, a similar exercise needs to be undertaken. However, I do not think that we can call ourselves the garden of the Pacific.

[161] **Sandy Mewies:** Would it be a good idea if we asked for the image branding briefing to be run again, perhaps with the word 'architecture', which I remember seeing, being left out of the invitation? Would Members wish that to be run again? I see that you would.

[162] We will break now, but, before we do, I wish to mention a few things. Some of you will have seen the European newsletter, which was prepared by Anna Daniel. I thought that it was very good; Anna put a considerable amount of work into it. Even though my name is on it, I did not do anything. Anna worked very hard, and I have already had excellent feedback from some people via e-mail. So, thank you for that, Anna.

[163] I know that some people are leaving after the break, so I will mention that this is Leanne's last meeting with us. She has been promoted, and the committee offers its congratulations and best wishes. We will break now for coffee.

*Gohiriwyd y cyfarfod rhwng 10.27 a.m. a 10.51 a.m.  
The meeting adjourned between 10.27 a.m. and 10.51 a.m.*

[164] **Sandy Mewies:** Before we resume the meeting, I ask people to try to refrain from pressing the microphone buttons. We lost the service this morning at one point. The system goes into private mode when the buttons are pressed and we lose the recording facility.

[165] I welcome the Minister for Education, Lifelong Learning and Skills, Jane Davidson, and Neil Thomas from the European and International Division to the table. We have already had an interesting and stimulating talk about education in Europe this morning, so we look forward to hearing what you have to say. I understand that you are going to make a 10-minute presentation, Minister. I do not know whether Neil is going to add anything after that, but it will then be open to Members to ask questions.

[166] **The Minister for Education, Lifelong Learning and Skills (Jane Davidson):** I am delighted to come to speak to the committee on the European dimension of education, lifelong learning and skills. In the paper that I have included, I have outlined the main issues that are currently on the European agenda as regards education and lifelong learning, and highlighted how the Welsh Assembly Government has responded to that agenda. I am sure that this committee is aware that European Union competence in the field of education and training is extremely limited, with responsibility usually below member-state level; it is often at regional level or lower. Therefore, rightly, there are no European Commission education directives or regulations. After saying that, education, lifelong learning and skills have never been more prominent on the European Union's agenda, because of the recognition by European Union leaders that Europe needs better-educated, more highly skilled citizens if it wants to grow and create more jobs. Consequently, education and lifelong learning are fully integrated into the Lisbon jobs and growth strategy, through a process called Education and Training 2010. It features objectives covering the various types and levels of education and training—formal, non-formal and informal. Moreover, the Lisbon national reform programmes, which will probably figure in your debate on the Lisbon strategy later this morning, also include sections on lifelong learning and skills. As part of our commitment to the Lisbon agenda, the Welsh Assembly Government is looking at improving on several dimensions at once, including basic skills, language learning including Welsh, making investments efficient and equitable, mobility, citizenship education and much more. Our aim is to achieve measurable and irreversible progress on all fronts to 2010 and beyond.

[167] Education and training is one area where government below the member-state level can clearly contribute to the Lisbon agenda, as responsibility for education and training is often at that level. European Union institutions increasingly recognise the need to engage with regional and local governments on education and lifelong learning, a point that the European Association of Regional and Local Authorities for Lifelong Learning—normally known as EARLALL, of which we are a founding member—has been making for some time. EARLALL regularly attracts new members from across member states because of the interest in the regional agenda. EARLALL can now be said to be maturing into an active and cohesive organisation. It is well supported by the European Commission, its members are regularly asked to chair and speak at conferences, and we are developing increasingly good relationships with the European Parliament as well. The chair of EARLALL also sits on the Committee of the Regions, so there is a strong link with the regional dimension. That means that EARLALL has an important role to play in shaping policy and practice in lifelong learning throughout the European Union.

[168] I want to bring up some key points that I have highlighted in the report. To note the Education and Training 2010 agenda foreword, every two years, the European Commission and the council publish a report measuring progress in key areas like participation or the numbers of mathematics and science students. This is a member-state process, but the National Assembly is able to make an input via the UK Government and we are currently proposing a Welsh representative to the cluster dealing with exchanging access and social inclusion in lifelong learning. We are also involved in an EARLALL project attempting to



replicate the Lisbon process of co-operation between member states at a sub-national level, with a project focusing on benchmarking between EARLALL members of early school leavers and non-formal adult education. These are issues that come into the eight competences. I will be informing this committee and my own committee of the results of this project when they are available. The commission hopes that the proposed European qualifications framework will facilitate citizens' mobility throughout the European Union, which is one of the central aims of Education and Training 2010. This is of enormous interest to us in the National Assembly. We are hoping to put together a joint bid with Scotland and other European regions to pilot the European qualifications framework, and I will be addressing a conference in Brussels this autumn to highlight our experience in Wales of credit and qualifications frameworks, because we are way ahead of the game. We are among the first to develop a credit and qualifications framework, and it fits very nicely with the European qualification framework proposals.

[169] We are also looking at bidding for a call to pilot projects to test the European credit transfer system for vocational education and training, ECVET, and, either individually or collectively—or probably both through EARLALL—we will be responding to the European-wide consultation that the commission is just about to launch.

[170] Two further initiatives currently on the EU agenda and of interest to us here are proposals on entrepreneurship education and adult education. We have already developed a strategy for entrepreneurship education, which is one of the recommendations in the commission's proposal, and that is now being implemented through initiatives like Project Dynamo, the youth entrepreneurship strategy, the entrepreneurship champions of the Graduating to Enterprise scheme, to name but a few and, as far as we are aware, we are one of the only countries to have embedded entrepreneurship education in curriculum materials all the way through from key stage 1, and we have now launched all the key stage materials.

[171] Turning to adult education, the commission will shortly make a proposal on adult education, underlining its economic and social contribution to this increasingly important subject, which has been given little attention to date at the European level. We are keen to share our experience with others and to learn from their activities. The issue around entrepreneurship education is going to be the main item of discussion at the next EARLALL meeting, with adult education being the main item at the subsequent one.

[172] I want to pick up two key points in terms of the higher education agenda. We have a real opportunity to demonstrate how Wales is responding to the modernisation agenda in higher education through, for example, the Techniums and their work in connecting universities and the business world.

[173] Secondly, I want to stress how Wales is engaging with European higher education institutions and countries. The Bologna process is far wider, because 45 countries are involved. Our sector's long-standing involvement—and this goes back to this credit and qualifications framework, which Wales has been such a leader on—has the potential to place higher education in Wales at the forefront of developments in this area, and the university in Swansea, in particular, has responded very positively to the Bologna agenda; it is our Bologna promoter. We have an opportunity to make a contribution to the Bologna process through the seminar, which is being organised this week in Swansea, on graduate employability. As part of the four motor regions grouping, a rectors' conference is taking place today on joint-doctoral programmes, so it will be looking at joint degrees, which is a really important way forward and will contribute to mobility and language learning. It is probably also worth saying that, a fortnight ago, I presented Cardiff University with the E-Quality award, and the 'E' in this case is the Erasmus programme. Only five universities in the UK have achieved this highest quality in terms of Erasmus delivery, and Cardiff is the one in Wales. Cardiff has an astronomical reputation in terms of the Erasmus agenda.

11.00 a.m.

[174] Turning to the subject of multilingualism, last year, the European Commission produced its first policy statement on the issue, which is now being debated in the European Parliament. From a Welsh-language perspective, the emphasis on linguistic diversity with specific reference to regional and minority languages is extremely positive, and I am confident that support will be forthcoming for a pan-European network on promoting regional and minority language-building, based on the work being carried out by the Welsh Language Board and its counterparts across Europe. The commission is taking the linguistic-diversity agenda very seriously, and I was delighted to speak at a conference organised by the commission on regional minority languages and education systems. I was invited as Minister for Wales, because Wales is seen to be the leader here. When that conference report is published, I think that people here will find it very interesting.

[175] Current policy directions and approaches in Wales in terms of modern foreign language teaching are very much in line with the European strategy on multilingualism. We are in our third year of foreign language pilots, which target seven to 11-year-olds or key stage 2, the top of primary school. According to a recent evaluation, the pilots are now making a major impact on the 106 schools taking part, and are seen to be a valuable addition to the school curriculum.

[176] In the paper, I have also outlined some key points on the European dimension to citizenship education in Wales, which will complement this morning's debate on European Union education in other member states. I would just like to highlight two elements. The first is obviously the baccalaureate. We are just waiting for the final evaluation of it, which will influence its roll-out. That will come to us shortly. However, subject to the roll-out of the baccalaureate, the subject of Wales, Europe and the world will be in that curriculum for all 14 to 19-year-olds between foundation level 2 and level 3 of the baccalaureate. I also commend our young people in Funky Dragon who were involved the 2005 youth conference under the UK presidency of the European Union. They organised the conference here in Cardiff for all member states and it was extremely effective.

[177] The two principal European funding streams to promote education and lifelong learning over the next seven years are the European social fund and the integrated lifelong learning programme. The European social fund priority 2 is improving skills levels and the adaptability of the workforce. In particular, the Assembly's two new departments, the Department for Education, Lifelong Learning and Skills and the new Department for Enterprise, Innovation and Networks, are involved in preparing a strategy in line with the priority, looking at supplying new entrants to the labour market with the skills needed for employment, raising the skills base of the workforce and supporting progression in employment, improving systems of workforce development, addressing skills gaps and shortages and promoting adaptability.

[178] In terms of the lifelong learning programme, participation levels are generally good, because as regards Comenius and the European youth programme, we well outperform all other parts of the United Kingdom. It is also the case that organisations from Wales that have taken part in projects funded by the European community education and training programmes report that real education benefits, improved skills or increased motivation can be achieved through involvement in these projects. Some even go as far as to say that the experience is life-changing. We have many good high-quality project examples, involving schools, colleges, businesses and universities in Wales. If Members are interested, I would be happy to provide a list of such projects. However, I believe that it is more important than ever that children, young people and employees are given the opportunity of international exposure. That is why we are making significant efforts to further improve take-up during the next

European funding period, in partnership with the UK's national agencies.

[179] As set out in the paper, there will be real opportunities for the sector in Wales to get involved in European projects and initiatives over the next seven years, with the budget for the European lifelong learning programme set at €6.2 billion, which represents a 50 per cent increase on the current programme. The biggest proportion will be spent on Erasmus—and the experience of Cardiff and other universities is very important to us there—and the Leonardo programme. The work of ECTARC, the European Centre for Training and Regional Co-operation, on Leonardo is also extremely important. I was pleased to see continued support for the Grundtvig adult education programme, although I must say that I would have liked to see more. We argued for more very strongly with EARLALL, because this is an area that has not been adequately addressed in the past. However, the Grundtvig adult education programme can offer potential funding to people with low skills, and could also be a useful source of funding for our language-learning networks. It could also work alongside the new lottery-funded Stepping Stones programme, which is a new £15 million programme that I launched a couple of weeks ago.

[180] A really welcome development is that the language element of this programme will, for the first time, be open to regional minority languages. We have been working really hard on this issue. Through EARLALL, we raised this with key European Union players before the final round of negotiations on the programme. The strands of this new programme that deal with information and communications technologies policy development and dissemination will provide us with an opportunity to build on our work in these areas.

[181] I have said a little about ESF, but the consultation on the regulations, in terms of convergence funding, will go out on, I think, 28 July. As chair of the Swansea bay area spatial plan, we looked at the contribution of the convergence funding, including ESF, and the Assembly Government's thematic approach to drive this agenda forward. The thematic approach to issues of skills and tackling inactivity provides further opportunities in this context.

[182] I hope that I have demonstrated that the European dimension of education, lifelong learning and skills is increasingly important because of the Lisbon agenda, but also because of the role that education plays in promoting social cohesion and active citizenship. We are committed to seizing these European agendas, in terms of working with the UK Government, building relationships with European institutions, and through our membership of EARLALL. It is really important that is a very active region in this kind of education, lifelong learning and skills agenda, with a lot of good practice around, that we use all opportunities, including EARLALL and the regional committee, and that we drive forward and influence policy of the European Commission for the future.

[183] **Jeff Cuthbert:** Thank you for this report. I want to ask questions to do with the European qualifications framework and the credit transfer system, because I think that this is crucial as more and more people are able to move around Europe, particularly people who come here with craft skills to do work—it is a bit like *Auf Wiedersehen Pet* in reverse at the moment. It is important that we can be satisfied that people's qualifications and competence meet the standards that we have here, particularly with regard to health and safety. Can you say a bit more? I note that paragraph 8 begins with the commission's plans to propose a European qualification framework this autumn. So it will be a little while yet before we have a tangible outcome.

[184] I also noted that the qualifications will be related to each other through a system of eight recognised levels: within the NVQ system that we have for competence, I believe that there are five levels. Do we have any information as to how those levels match up to each other? You said that we plan to pilot work jointly with Scotland in this regard. Perhaps you

could outline, basically, the methodology that will followed there.

[185] **Jane Davidson:** I will provide a brief overview. The consultation on proposals for European qualifications framework actually started last year, and I was invited to speak at a conference in Glasgow at which we looked at these issues, because Wales has been an absolute trailblazer on qualification frameworks. There were several other countries which literally have not even got to the starting blocks in these areas, so they have a long way to go in looking at how they can measure comparability in any way.

[186] Following that conference, which was the opening conference for the consultation, the European Commission is, obviously, looking at the consultation responses and wanting to ensure a close match between existing in-country systems and getting that comparability across Europe. The next stage of the process is actually about getting some pilot schemes that can marry the proposals together. That is the stage that we are at now, and because Scotland is also a trailblazer in terms of qualification frameworks, we have been working extremely closely together on this issue.

[187] We can certainly produce an information paper for the next committee meeting, because I intend to take this paper as an information paper to our own committee, and we can produce an information paper for both committees on the links between the European credit and qualifications framework in Wales. The European proposals, which are broadly consistent, because we operate in terms of seven levels, I think, in our qualifications framework and it is an eight-level system is proposed. There is not much difference between that and where we are at the moment, so, we have some of the greatest opportunities for adaptability in this context. We can answer your questions in detail in that context. I do not know whether Neil or Nia want to add anything else.

11.10 a.m.

[188] **Mr Thomas:** As the Minister said, we are probably ahead of the game in this. A lot of European countries do not have frameworks, as such, and what Europe is proposing is what it calls a meta-framework, which is something that wraps around the various systems that people have. It is crucial that we have reliable quality assurance arrangements in each country, so that we know that whatever qualifications are awarded, they are quality assured and robust. It then becomes a matter of simply reading them across to our levels.

[189] **Christine Gwyther:** I have a point for clarification. In paragraph 3, you talk about the rate of return on funding for skills and education, and at the end of the paragraph you say,

[190] ‘A recent EU survey suggests that the rate of return is on average above 7%’.

[191] Is that 107 per cent?

[192] **Jane Davidson:** That is for Nia.

[193] **Christine Gwyther:** To me, 7 per cent does not sound awfully high.

[194] **Ms Lewis:** [*Inaudible.*] In the survey, what it is saying is that—[*Inaudible.*]—the return that you get is an average of 7 per cent. There are obviously areas where you get a lot more than 7 per cent and some where you get slightly under. The easiest thing may be to send you a copy of the paper.

[195] **Christine Gwyther:** Thank you. Moving on to the issue that Jeff was talking about, namely the European credit transfer system, can you explain how that might help the take-up of European languages in schools in Wales? We know that it is pretty poor at the moment,

and, in this committee, we are always talking about how we can maybe make European languages more attractive for our students to take up. Do you think that the European credit transfer system will help in that regard, and if you do, how do you plan to sell it in our schools?

[196] **Jane Davidson:** The strategy that underpins modern foreign language learning in our schools, which we published in 2003, I think, after the Nuffield inquiry in 2002, is called 'Languages Count' and is about ensuring that children are exposed to modern foreign language learning a lot earlier. As I said in my contribution, we now have 106 primary schools, working in clusters with secondary schools, undertaking modern foreign language pilot schemes, so that those children will then experience support through the transition process, because Wales is unique in developing statutory processes for transition to secondary school, whereby there will be a bridging curriculum. Those statutory processes, for which we took powers in the 2002 Act, start from this year onwards, so, modern foreign language learning can now be part of a bridging curriculum that leads through to secondary school.

[197] We are also working with the Centre for International Language Teaching in terms of looking at ways of expanding better opportunities for language learning in the secondary sector. Some local authorities have put targets down for themselves in terms of their single educational plans, because we are moving towards a single education plan structure. We warmly welcome that, and I have indicated publicly that we might wish to consider that across the board further down the line, if it proves to be a successful approach, but we need to test how successful that is.

[198] The third point is that, as I have already announced, we are introducing a languages ladder approach, which complements work that is already being undertaken in England, alongside the traditional GCSE structure. That will be introduced from September onwards, so, we are taking a number of major initiatives in terms of moving this forward. We know that, although there has been some reduction in applicants, the quality of those people going through the qualification system is a lot higher, and many of those are choosing to go on to university and use those language skills there. We recently had a report undertaken by the Higher Education Funding Council for Wales, which looks at the issues around better supporting language teaching at universities. I spoke to a major conference on that subject last week. So, we are very focused on the issue of modern foreign language learning.

[199] **Michael German:** I would like to ask the Minister about the role of the British Council, particularly its delivery and promotion of the existing programmes—Grundtvig, Comenius and Leonardo—and the future of lifelong learning programmes. I would like the Minister to dwell on two or three aspects of its work. First of all, to whom is it accountable? Secondly, what is the resourcing to undertake this work within Wales, and its relationship with other bodies in Wales which work in the same area, in the formal structure of education and training in Wales, and the informal structure in the voluntary sector? Can the Minister explain her relationship with the British Council in Wales, and what she wants from the work that it is doing?

[200] **Jane Davidson:** The British Council looks after the Erasmus and Comenius programmes, and the European Centre for Training and Regional Co-operation looks after the Leonardo programmes as an agency for us in that context. The British Council works very closely with a large range of organisations in Wales. In a wider than European context, you will know of the very close work between the British Council and Dolen Cymru, for example, in terms of the support for the Lesotho programmes. The British Council is given funding from the Assembly Government, but it is not accountable to the Assembly Government. We give extra funding to the British Council of some £200,000 a year to look at a particular programme in terms of further education lecturers' continuing professional development, which is working very effectively. The British Council Wales's main office is based in

Cardiff, but there are a number of areas on which it has a major dialogue with the Assembly, not least the whole international agenda beyond the European arena.

[201] **Michael German:** I think that we have probably hit upon the issues that were raised the last time we met. If you recollect, the British Council has responsibility for parts of Wales, but not the whole of Wales in that area. Given that education and training is a devolved matter, and in having a non-devolved part of the UK Government responsible for what are, essentially, the school and training programmes, there was a clear view that there may be room for overlap between organisations in Wales that are also seeking to promote this. Is the relationship between British Council Wales different from the relationship between British Council Scotland and its Ministers on these matters? Would it be helpful if there were a direct line of accountability from the British Council to the National Assembly, either through a funding mechanism or the devolution of funding matters, for matters which are clearly within the schools and FE dimension, which are, in this case, accounted for elsewhere?

[202] **Jane Davidson:** I do not think that those are questions for me. I am here as the Minister in terms of promoting the outputs and what we get out in terms of education and lifelong learning programmes. With the support of the British Council in Wales, our Erasmus and Comenius outputs are greater than those of others, so we are entirely happy with the performance of the British Council in that context. If you want to explore structures, you would not be exploring them with me as Minister.

[203] **Michael German:** They are structures which affect your portfolio.

[204] **Jane Davidson:** And very successfully.

[205] **Michael German:** Yes, but that is not the question that I was asking. The question that I was asking is that, if they affect your portfolio, do you think that they should be within your portfolio and that there should be more of a connection? What is the relationship with the British Council in Scotland—is it different from the relationship in Wales?

[206] **Jane Davidson:** All I can do is to repeat what I have just said, which is that I look at outputs, and I think that most educationalists would look at outputs rather than necessarily just looking at an input. I am content, as is the European Commission, and it has commended us on the fact that we have such outputs in terms of the Erasmus and Comenius programmes, which are the responsibility of the British Council. The higher education institutions involved in Erasmus and the schools involved in Comenius speak very highly of the level of support they receive in Wales.

[207] **Sandy Mewies:** If it would be of any help to you, Mike, we are hoping to get the British Council here; we are awaiting its response. Thank you for that.

11.20 a.m.

[208] **Rosemary Butler:** I would like to ask a question on the Welsh baccalaureate. How many children in Wales now take the Welsh baccalaureate? You mentioned that European education is a part of that, but many people are not studying for the Welsh baccalaureate. How are we managing those, because there will be a bit of a gap? You may not be able to answer that this morning.

[209] I know that the issue of modern foreign languages has already been raised, but it is something that we have pursued since the Assembly was established in 1999, and I am aware of your personal commitment to it. However, we are still not getting there. I do not know how we can influence schools and teachers more than we are at the moment. However, I spoke to some students from Aberystwyth who were studying European politics, and they are not

studying a European language. There are engineers who are not studying a European language. We will be disadvantaged if we cannot persuade them, because mainland European youth can all speak English along with another language. So, we are disadvantaged. I am not sure of the answer, but I wonder whether we could influence universities in particular to put on complementary language courses for courses such as European politics.

[210] The issue of the 106 primary schools is interesting; has that been evaluated at all? Are they volunteers or have you suggested that people might like to do that? It might be helpful for us to have a list of those schools.

[211] **Jane Davidson:** Thank you. I will pick up the issue of the Welsh baccalaureate first. We are in the third year of piloting the Welsh baccalaureate. We started with a level 3 qualification, which is an A-level equivalent. We then moved to a level 2 qualification, and we have just announced the piloting of the foundation level, which will start this September. If my memory serves me well, around 31 centres—schools and colleges—are involved in the Welsh baccalaureate pilots. Many more are waiting in the wings for the roll-out of the Welsh baccalaureate. I have always argued strongly that, as an evidence-based Minister, I need to have the evidence that the Welsh baccalaureate is delivering the kind of outcomes that we want before we roll it out. The internal evaluation is being carried out by the University of Bath. Although it is throwing up the normal things that you would expect, such as ensuring that the marketing happens, and that we link appropriately with higher education institutions and market effectively there, and ensuring that people are properly trained, it is not throwing out any major obstacles. Similarly, my information is that the final evaluation by the University of Nottingham, which will be coming forward to us in the autumn term and which I will be taking to the Education, Lifelong Learning and Skills Committee, is not throwing up any major obstacles either. So, it is not a question of whether we roll out the baccalaureate, but of when and how we will roll it out for the future. The baccalaureate includes, at all stages, a unit on Wales, Europe and the world. It will mean that we become one of the countries that have it within the qualifications system. We can drop a note to the Chair on the numbers of young people who have been through the baccalaureate or who are currently taking it. We will be celebrating the next round of baccalaureate results during the summer.

[212] You are right that I have a major personal commitment to modern foreign languages. I believe strongly that we should be providing as many courses as possible that enable people to be outward-looking. I absolutely subscribed to the Nuffield findings back in 2002, which was the European Year of Languages, that we start with a natural advantage in Wales, because we are so successful in immersion education in the Welsh language. The ability for children to become trilingual is far greater than that for children just to become bilingual. So, we should be able to build on the fact that we have this strong language base. At the moment, we are saying that we should be building on this rather saying that we are successfully building on it. That is why we have these initiatives in place. We are evaluating the primary school initiative, and we can give the committee a list of the schools involved in that. It operates on a cluster basis, so that it will not be lost when it moves on to secondary schools, just as we operate the late entry to Welsh courses on a cluster basis with English-medium primary schools—these are immersion courses in Welsh that link with the secondary schools so that the language learning will not be lost. We will be making decisions about how to take that programme forward for the future in this and other budget rounds.

[213] **Sandy Mewies:** Thank you very much, Minister. As I informed you earlier, I have written to Peter Black, the Chair of the Education, Lifelong Learning and Skills Committee, to tell him about our terms of reference and to ask him to send a representative to the evidence-taking sessions in the autumn. I am glad to know what is going on. As we have found before, I think that there is a huge depth of work going on in Wales and in other parts of the European Union. It is interesting to hear about them and to compare. Thank you, again.

11.25 a.m.

**Y Wybodaeth Ddiweddaraf gan Aelodau Pwyllgor y Rhanbarthau  
Update from Members of the Committee of the Regions**

[214] **Sandy Mewies:** Do you wish to say a few words on this, Rosemary?

[215] **Rosemary Butler:** I personally have not been to any meetings. My committee has not met, but I understand that Janet went to a meeting last week. Perhaps she might want to say something.

[216] **Janet Davies:** Yes; I went to an ECOS—the Commission for Economic and Social Policy—meeting some 10 days ago. The main issue that was discussed was public-private partnerships. There was a draft opinion on that, which finished up with a certain amount of confusion around it—it will roll up before Rosemary in plenary for a fair bit of amendment, I think. There was also a morning seminar on that. The UK is regarded as the leader in terms of public-private partnerships. I felt that there was a certain degree of naivety among some members in that they saw them as being the answer to everything; that is, they were seeing the opportunities but not the need for very careful planning and contingency recognition. There was also a discussion paper, which will later become a draft opinion, on the road map for equality between men and women. It was pointed out that the Committee of the Regions was not exactly an exemplar on that, so I told them about the Assembly, obviously. However, it was quite an interesting discussion.

[217] The meeting was held in northern Greece, so we also paid a visit to Filippi one day, which I was very impressed with. There is a huge amount of European money going in there, but I was very impressed to have actually been there.

[218] **Sandy Mewies:** Thank you very much. Are there any questions? I see that there are none.

[219] Before we can move on, we seem to be waiting for the London train. Our presenters for the next item, who are coming from London by train, are not here yet. We will therefore take a comfort break.

*Gohiriwyd y cyfarfod rhwng 11.27 a.m. a 11.31 a.m.  
The meeting adjourned between 11.27 a.m. and 11.31 a.m.*

**Strategaeth Lisbon  
Lisbon Strategy**

[220] **Sandy Mewies:** We have had updates on this before—this is a progress update. We have with us Robert Specterman from the Treasury, Julian Farrel from the Department of Trade and Industry, and Mike Woolley from the Department for Work and Pensions. I welcome you all here. I ask you all to make a concise, five-minute presentation, and then we will take questions from Members. I believe that you would like to go first, Mr Specterman, as you wish to go as soon as possible, do you not? We will take you first, and we will then have questions directly afterwards.

[221] **Mr Specterman:** Thank you. I apologise that I will have to slip out at 12.05 p.m., as I have to get to the airport in London for a flight this evening.

[222] Thank you for having us here. As you mentioned, my name is Robert Specterman; I am from the Treasury, where I work in our European economic reform team. I will briefly



allow my colleagues to introduce themselves before I continue.

[223] **Mr Farrel:** I am Julian Farrel; I am the director for EU economic reform issues at the Department of Trade and Industry, looking at the more microeconomic side of the Lisbon agenda, particularly in the Competitiveness Council of Ministers in Brussels.

[224] **Mr Woolley:** I am Mike Woolley; I work at the international unit that covers the Department for Work and Pensions and the Department for Education and Skills, and the team that does the European employment policy.

[225] **Mr Specterman:** As I say, we are pleased to be here in Wales, particularly at a time when the Welsh economy is doing so well, with sustained economic growth, low inflation, and low unemployment—indeed, Wales has unemployment that is below the UK average, at 4.5 per cent.

[226] I believe that my colleagues who were here last talked about the Lisbon agenda and the mid-term review of the Lisbon strategy for growth and jobs. Since that meeting, that mid-term review has concluded, and, at the European Council meeting last spring, heads of state decided to relaunch and refocus the Lisbon agenda, and prioritise its actions on growth and jobs. Alongside that substantive policy refocusing, they also launched a new set of governance arrangements, including, in particular, national reform programmes. Under these new arrangements, each member state must submit a so-called national reform programme, setting out its national priorities for economic reform under the Lisbon agenda. It is left to member states to identify their own selective number of priorities, which was intended to underline the importance of national ownership of the reform agenda.

[227] I hope that you have seen the UK's national reform programme, which we published last October. It sets out in three sections—macroeconomic, microeconomic and employment—the UK Government's priorities for economic reform in the United Kingdom. It also reflects the input from a wide variety of stakeholders, including Wales. The heads of all the devolved administrations were consulted as part of the ministerial clearance arrangements for this document. You will see reflected in here examples of Welsh economic reform experience, including the workforce development programme, the want-to-work initiative and the new research and development centre that was set up in Pembrokeshire. We were very grateful for Welsh input into the report.

[228] The way in which the governance arrangement works is that last year's national reform programme set out the strategy of each member state and we are now going into an implementation process. Member states have to submit progress reports, commenting on how they are implementing the priorities that they outlined last year. Once again, we are very open and interested in the wide range of stakeholder input into this in order to learn how we are implementing policies, and the exchange of good practice and experience is a key driver of progress, both at the national level and, indeed, the European level. As part of the process for drawing up our implementation report, we are seeking input from stakeholders across the board. On 24 July, we are holding a stakeholder seminar in London, to which members of devolved administrations have been invited. We look forward to discussing with you examples of how Wales is contributing to the priorities and targets outlined in the UK's national reform programme.

[229] So, that is a broad overview of what we are doing at the moment. This meeting comes at a very timely point because we are in the middle of preparing our implementation report, and, hopefully, at this session, we can exchange some ideas about what Wales is doing, in particular. My colleagues from the DTI and DWP and I are very happy to answer all your questions.

[230] **Rosemary Butler:** On the seminar on 25 July, at what level is that? Who from the Assembly or the Scottish Parliament, for example, will be attending?

[231] **Mr Specterman:** It takes place on 24 July. Perhaps Mik can answer that question.

[232] **Mr Woolley:** We do not receive final responses to the invitations until 19 July, but I was speaking to a contact in the Assembly yesterday, and I am meeting her straight after this meeting to talk about some ideas. We have invited someone from the Assembly, and someone from the voluntary sector, but we have also invited some representatives from the UK delegation to the Committee of the Regions and the committee that is part of the sustained dialogue with the commission to get a flavour. The point about the event is that it can only skim the surface, so we are trying to get some ideas about how that can be pursued further. I will discuss over lunch with Assembly representatives how we can come back to Wales and meet a wider group of people and have some more practical exchanges in more detail—the idea being that what drives the strategy is what is now called the open method of co-ordination, and that is set out in the European treaty. At the heart of that is this idea that you exchange what works so that other countries that may have an area that needs to be improved around a model that you found worked quite well can therefore learn from it. For example, whether or not this turns out to be the case—we will have to see what can be done in practice—we have been talking between London and Cardiff about the idea of doing something around the cities strategy and how partnership works at a city level in order to tackle some of the priorities under the Lisbon agenda. We will see on 24 July what ideas will be thrown up and then we will start to meet groups in more detail. Certainly, the idea of coming back to meet a wider group of stakeholders in Wales would be an interesting idea.

[233] **Rosemary Butler:** Thank you. That was a very full answer.

11.40 a.m.

[234] **Jeff Cuthbert:** I am very interested in what you just said. I am chair of the Objective 1 project monitoring committee for west Wales and the Valleys. This sounds interesting. I do not know whether I will be at that meeting, but if there are further meetings in Wales, I would certainly want to be involved because, quite rightly, you talked about the Lisbon agenda and the next round of structural funds, and I have an interest in convergence funding, as the successor to Objective 1. You say here—and I know this to be the case—that a minimum of 60 per cent of convergence funding needs to be allocated to Lisbon agenda strategies. How is it planned to assess that that is happening? What sort of guidance is likely to be issued to ensure that that target is met or perhaps even exceeded? What type of support will there be for strategic or local projects that people can draw on to ensure that they are meeting the Lisbon agenda?

[235] **Mr Farrel:** Perhaps I should try to take that one. I am not an expert on structural funds, but the inter-departmental lead on structural funds sits with the DTI, and I hope that I can give you part of an answer to your questions.

[236] First, we are very supportive of the idea that structural funds should be focused heavily—as you said, the suggested figure is 60 per cent—on Lisbon economic reform, jobs and growth objectives. There is a strong emphasis on the fact that there should be coherence and consistency between the national reform programmes, which member states produce to demonstrate what they are doing on the Lisbon front, and the national strategic reference frameworks, which is the term that is being used for the national frameworks that are to be produced by member states for the next tranche of structural fund activity. We are trying hard to make sure that those two plans are going to be joined up for the UK. That is still work in progress, but we are trying hard to ensure that that is consistent. If anything, it is even easier at the level of a devolved administration to see where those links really lie, so, examples and

suggestions from you are very helpful in that process.

[237] The other thing to mention is that the Council of Ministers will shortly agree strategic guidelines in the structural funds area, which will be a framework for EU-wide priorities, which have to be taken into account by the member states in drawing up their national reference frameworks for structural funds. I hope that that answer is giving the impression that it will be coherent and consistent. To come back to your initial question, the commission will obviously be monitoring and checking whether that 60 per cent target is genuinely being met. On the national reform programme side for Lisbon and on the structural funds side, there is a very heavy commission monitoring role.

[238] **Jeff Cuthbert:** I am pleased to hear that because, although education and training is a devolved matter, we want to ensure that what we do in Wales is consistent with what is happening in the rest of the UK, as well as on a European level, because people move about to seek employment, and there is nothing wrong with that. Before you got here, we were having a discussion on learning in Europe, and I raised the issue of credit transfers and how we can ensure that qualifications, particularly competency-based qualifications, are consistent across Europe, or at least can be mapped with a reasonable degree of accuracy. I would hope that, through the processes that you have outlined, of meetings, discussions and the preparation of guidance and so on, if that is done thoroughly, it will only help the process. Therefore, I hope that, as a devolved administration, we are fully involved in such processes.

[239] **Sandy Mewies:** I think that that was a statement. Are the two of you going to make individual presentations, Julian and Mike, or not?

[240] **Mr Woolley:** No.

[241] **Sandy Mewies:** That is fine.

[242] **Christine Gwyther:** Robert, in your presentation, you mentioned a research and development unit in Pembrokeshire. Can you just give us a bit more information on that? Is it already there? Is it coming? My antennae started wagging.

[243] **Mr Wooley:** I think that it was offered through the Welsh Local Government Association.

[244] **Mr Specterman:** Yes; if you have a chance after this meeting to look at the UK's national reform programme, which is available on-line, you will see that there is information in chapter 3 on productivity with regard to this, and I could perhaps read out what was said there, if that would be helpful, because that, I am afraid, is the extent of my knowledge at this stage. It says that

'Pembrokeshire has experienced significant restructuring in its energy and defence sectors, a relatively narrow industrial base, and an historic overdependence on seasonal low pay sectors such as agriculture and tourism. An £8.7 million project funded by Pembrokeshire County Council, the Welsh Development Agency and Objective 1 to construct a two storey R&D centre will form part of the Swansea University Technium network, accommodate University research staff, and house incubation units and business support facilities. Initially, R&D activity will focus on the power sector, to build on links with existing major oil and gas interests in the area and to help develop new alternative energy technologies related to the area's diverse coastal and marine environment. The longer term goal is to diversify its R&D activities. Innovation and enterprise activities will be hosted within the building to help stimulate R&D spinout, to assist product diversification and to stimulate links with the existing SME community.'

[245] **Christine Gwyther:** I have been there and lovely it is too. I thought that perhaps something else was coming, so I got all excited there. That is great.

[246] **Sandy Mewies:** First Minister, do you have a comment?

[247] **The First Minister:** I just wanted to probe a bit in terms of how we can align the structural funds programme, ready for 1 January, for renewed Objective 1, convergence and so on, with the Lisbon agenda to the best degree possible. We have not yet gone out to consultation but we will shortly do so on the proposed shape of the new Objective 1 programme. The negotiations that we have had with the commission are really on the basis of, 'Well, what extra brownie points do we get for being well above the 60 per cent?', and we do expect to be above the 60 per cent, but it is all part of the negotiations that we think that it is a good idea to be pushing this agenda as hard as possible, with a view to where we are going to be in 2014, relative to where China and India and so on are going to be, and how quickly we can get into the knowledge economy, given that, 50 years ago, that was not the starting point of the Welsh economy, being as highly specialised as it was in staple industries such as those of coal and steel. The speed with which you have to do this is pretty massive, given the level of global competition from China and India. So, we regard 60 per cent as a baseline and certainly not the last word. Anyway, that will all emerge during the consultation exercise, which we hope will take place later this month.

[248] **Mr Farrel:** Just to add to that, according to my note, the 60 per cent target applies in convergence regions, and, in east Wales, as an area eligible for competitiveness in employment funding, the target is 75 per cent, related to the Lisbon agenda. So, what you have said is very much along the lines that we need to follow. The UK national framework was subject to a public consultation that closed in late May, but I understand that the Welsh Assembly Government made a very heavy, if not 100 per cent, input into the Welsh element of that. So, I know that my colleagues dealing with structural funds are in very close touch with each other.

[249] **The First Minister:** The only real issue is the point that Jeff Cuthbert raised earlier, namely what exactly is the measuring rod? In a way, you are talking about concepts of knowledge economy and raising skill levels, job-quality levels and so forth, and a few other aspects, so some of these are not susceptible to accurate quantitative measurement. In the end, who has the last word? If you say, 'Well, that is a Lisbon agenda component', and the European Commission says, 'Oh no it is not', and we say, 'Oh yes it is', how do you get to the end of the pantomime knock-about when you are trying to measure whether a particular quantity of money, as it were, which has to go into the measurement of 60 per cent, 70 per cent or whatever, really does meet a certain criteria of being a Lisbon-agenda item?

11.50 a.m.

[250] **Mr Farrel:** It is a good question and one that I would like to ask my structural funds colleagues perhaps to get back to your committee about, via the clerk if that is the easiest method. Presumably, Robert, the integrated guidelines from the commission are a good starting point. These draw from the broad economic policy guidelines and the employment guidelines that predated this Lisbon national reform programme process, and I would have thought that that was the starting point.

[251] **Mr Specterman:** Yes, we now have a guidance framework on the sort of priorities that we should all be focusing on across the whole of the European Union. Those include the so-called integrated guidelines, which are an attempt to streamline the array of different recommendations that exist in the economic policy framework at the European level. We also have policy areas that the spring European Council identified as important under the banner of the Lisbon agenda and we also have some of the initiatives that have emerged from the

informal summit of heads at Hampton Court during the UK presidency of the European Union. Collectively, therefore, these are designed to provide a guidance framework of priorities under the Lisbon agenda on the sort of actions that we should be taking, both at European and member-state level.

[252] **Jeff Cuthbert:** This is critical because, as you know, this is the second round of Objective 1 convergence funding that we are having in west Wales and the Valleys, and it is absolutely right that one of the key focuses is on the issue of the Lisbon agenda and the development of skills and improving the ability of people in west Wales and the Valleys to get and retain good-quality jobs or to develop into entrepreneurship. All these things are crucial in the long term, particularly with regard to the issue of tackling basic skills. Roughly a third of adults—it is a shocking figure—have problems with literacy and numeracy. That obviously impacts upon their quality of life and opportunities to get decent jobs and hold them down. We want to tackle that. It is very important now, with only a few months to go, that we get this right, so I would like to know a little bit more about the meeting that you have planned for 24 July and what the agenda is. I do not know who you have been in contact with because I have not heard about this before, and as the chair of the Objective 1 committee, I am a little concerned about that. I do not have my diary in front of me, so I cannot say whether I could go, but I would certainly like to know more about it, what is proposed to come out of it, and what the follow-up type discussions are likely to be so that we can ensure a consistency of thinking.

[253] **Mr Woolley:** We are not going to pretend that the event on 24 July includes everyone it could possibly include. Apart from the logistical problems that that would entail, it was very much intended as a taster event initially to test whether a broad group of stakeholders could see in their everyday work a connection with the priorities under the Lisbon strategy and, following that, to find out whether they were already involved in networks that exchanged any good practices or models that they were engaged in. You are talking about education and training, and I know, for example, that Wales is involved in a trans-European network—and I believe that the committee was talking about such things earlier—that exchanges ideas on lifelong learning. If those networks are working effectively, then we will look at something else. We are not seeking to take ownership of it—it is only about whether we can add any value. Where we think that we may be able to add value is if some stakeholders say to us that they have a particular model and that they are aware that something similar may be happening in other countries, but that they do not have any means of engaging with them. That is where we would like to come in. The meeting on 24 July does not have a high percentage of direct Welsh representation. What we have done is get a few people involved who will be able, perhaps after the event, to come back to us and say, ‘Now that we have seen what other people are saying, and now that we have seen what you think you can do, let us talk again’. That is what I would like to talk about over lunch with my contact here, and then come back. We were talking of possibly holding a similar event purely in Wales and purely for Welsh partners if we think that there is a practical idea that we can run with. However, at the moment, it is really just a taster.

[254] This is not specifically about Wales, but when I was talking to my contact from Belfast yesterday, she said that if she were to send a truly representative group of stakeholders from Belfast, she would be at least doubling the capacity of the meeting that we already have. So, certainly, for somewhere like Belfast, we thought it much more important to come over to the heart of Belfast and actually look at something. I am not pretending that the meeting on 24 July will be wholly representative of Wales, but there will be some people there, certainly through the representatives from the delegation on the Committee of the Regions, to whom we can come back afterwards and explore some stuff in more detail. That is the idea. It is just to test it out to see whether there is enough, and then to come back in more detail afterwards.

[255] **Sandy Mewies:** Could you let us have a note on who that is?

[256] **Mr Woolley:** Yes.

[257] **Mr Specterman:** We have the invitation. If we have missed people, they have our apologies. Please feel free to register with us to attend.

[258] **Sandy Mewies:** I will make sure that this is passed around. Whatever happens, perhaps you could give a note about the meeting and what happens next to our clerk, which would be useful for us.

[259] **Mr Woolley:** What happens next is probably more important.

[260] **The First Minister:** Could I just make one final comment on that before we move on?

[261] **Sandy Mewies:** Yes.

[262] **The First Minister:** If I was looking forward over the next seven and a half years to the end of the second round of convergence funding, what I would like to see happen by then is Wales or, more strictly speaking, west Wales and the Valleys, having been able to crack the golden triangle problem that afflicts Britain so much, namely that you cannot persuade the people in big pharmaceutical companies, and sometimes in big software IT companies, that it is right and proper for them to think seriously about relocating their research and development from within the Oxford-Cambridge-M25 belt. That is almost impossible to do at the moment. They will moan to the Government as they recently did, a couple of weeks ago, 'Oh, we cannot get planning permission in Surrey or Kent for a giant new research laboratory and headquarters', and so forth, and they will see that as the problem. It is difficult to get planning permission in leafy suburbs for big new research laboratories. The alternative, of moving them outside the golden triangle, simply never occurs to them, simply because there is this fixation with your not being able to go beyond the outer suburbs of Cambridge up there, Oxford over here, and central London, the M25, Heathrow and Gatwick down there. Cracking that golden triangle is Britain's biggest problem, because it is impossible to hire medium-grade researchers in London and the south east, because they cannot afford the houses, and it is impossible to get the high fliers and the senior management to move outside that area because they think that they would be out of the swim if they were to move outside the golden triangle. France does not have that problem, and nor does Germany, Italy or Spain, but the UK does. As a result, you cannot do manufacturing, obviously, in Cambridge or Oxford or wherever, but you cannot do research and development outside the golden triangle areas. That is the UK problem and we have to crack it and, somehow, implement the Lisbon agenda to up the research and development component in the midlands, north Wales, Scotland and Northern Ireland. We have to do that over the next seven and a half years somehow; otherwise this country will just not enjoy a Lisbon-agenda agenda.

[263] **Sandy Mewies:** You may not wish to comment, but I think that the message has been given very clearly. Are there any other questions or comments that you would like to make?

[264] **Mr Farrel:** On the research and development point, clearly, there is also an emphasis on spending a greater proportion of structural funds money in the regions and in the areas of the devolved administrations on research as well as perhaps the typical infrastructure-type problems or projects. I agree; it is a difficult one to crack, but it is an agreed priority.

[265] I do not know what other areas we could helpfully—

[266] **Sandy Mewies:** None, if you do not think that anything that has come out of this discussion can be expanded on. That is fine. I do not think that there are any other questions,

are there?

[267] **Mr Farrel:** I had a more general remark, if that is okay. First, it is very nice to be back in Cardiff. I was last here 12 months ago for the informal competitiveness council, and we were very grateful to the Welsh Assembly Government and to the First Minister, in particular, for the hospitality that was given to Ministers from around Europe. It very much helped to kick off our presidency in the competitiveness council and it got us off to a very good start. So, I would just like to put that on the record; we were extremely grateful.

[268] **The First Minister:** It was the first item of the British presidency, was it not?

[269] **Mr Farrel:** Yes, so thank you very much again for that. It helped us to move forward the agenda on some of the Lisbon issues of better regulation, the internal market, and research and innovation and paved the way for some of the things that we were able to do later on.

[270] The other thing that I wanted to mention very briefly was that it is evident that we are at the implementation stage of the Lisbon agenda; we are more than halfway through the 10-year programme. One of the elements of that is implementing commitments at the national and sub-national level, which includes transposing directives. The commission, using an internal market scoreboard, carries out an annual exercise of checking whether member states are transposing the directives that they signed up to in Brussels. As a strong supporter of the internal market, the UK has a good reputation, traditionally, on that scoreboard. I wanted to take the opportunity to say how reliant we are on assistance from officials in the Welsh Assembly Government in ensuring that, for directives that require transposition, not just in Whitehall, but also by the devolved administrations, we get that transposition done in a timely fashion. I recognise that a lot of work needs to be done, and is done, at the devolved administration level these days. We are very grateful for those efforts, and I do not underestimate the amount of work that that creates in some areas.

[271] **The First Minister:** The transposition of directives is a major challenge for us, because Whitehall departments tend to work to a Whitehall timetable. They know by when they have to get these things done, and it takes roughly 40 days in Parliament, at worst, to get procedures completed. With us, it takes far longer—sometimes up to five or six months—to get legislation of no great controversy through because of our procedures, the Legislation Committee and because it has to be translated into Welsh, and so on. So, if Whitehall departments think that everything here is done in that 40 days, and that it will be ready and will have gone through parliament upstairs, they are wrong. It does not work like that here. So, we need the material ready for it to start in the hurdle race that we have here, which is a much longer hurdle race than that in Parliament—Parliament does the 110m hurdles, but ours is a 3,000m steeplechase. So, we need Whitehall to be more conscious of that and to start earlier to get something done by the set end date. It is a problem.

[272] **Mr Farrel:** We hosted a workshop in London 10 days ago with representatives from the devolved administrations as well as the key Whitehall departments to try to get that message across.

[273] **Sandy Mewies:** Fine. Thank you for travelling here today. I understand that you have other meetings to which you have to go. Thank you for that information. We will be coming back to the Lisbon agenda in the future.

[274] We have a paper to note. The next meeting of the committee is on something like 25 September. I wish all of you an enjoyable and, no doubt, hard-working recess. Thank you again for attending. If Members would like to stay behind to contribute ideas for Europe Day, they would be welcome to do so.

*Daeth y cyfarfod i ben am 12.04 p.m.*  
*The meeting ended at 12.04 p.m.*