

Committee on European Affairs

MINUTES

Date: 17 October 2001
Time: 9.00am
Venue: Committee Room 3, National Assembly Building

Attendance: Members

Rhodri Morgan (Chair)	Labour: Cardiff West
Nicholas Bourne	Conservative: Mid & West Wales
Rosemary Butler	Labour: Newport West
Christine Chapman	Labour: Cynon Valley
Mike German	Liberal Democrat: South Wales East
John Griffiths	Labour: Newport East
Ieuan Wyn Jones	Plaid Cymru: Ynys Mon
Jonathan Morgan	Conservative: South Wales Central
Rhodri Glyn Thomas	Plaid Cymru: Carmarthen East & Dinefwr
Phil Williams	Plaid Cymru: South Wales East

Standing Invitees

Jos Gallagher	Director, Wales European Centre
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In Attendance

Glyn Davies	Chair: Agriculture and Rural Development Committee
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Andrew Davies	E-Minister
Alun Cairns	Economic Development Committee
Ron Davies	Economic Development Committee
Alison Halford	Economic Development Committee
Dafydd Wigley	Economic Development Committee
Phil Bird	European and External Affairs Division
Jackie Brown	Head of Unit, European Programmes
Des Clifford	Assembly Office in Brussels
Charles Coombs	Sustainable Development Unit
Gary Davies	Head, European and External Affairs Division
Philip Elkin	Office of the Council General
Nigel Finlayson	Business and Information Systems Division
Allan Moss	Economic Policy Division
John Neve	Department of Trade and Industry
Dr David Rawlings	Department of Trade and Industry
Russell Keith	Committee Clerk
James Owen	Deputy Committee Clerk

Item 1: Chair's Report

Paper: EUR-05-01(p1)

1. The Chair welcomed everyone to the Committee. Apologies had been received from George Wright, Rose D'Sa, Catherine Eva, Councillors Jon Huish and Brian Smith and the Welsh MEP's, Jonathan Evans, Glenys Kinnock, Eluned Morgan, Eurig Wyn and Jill Evans.
2. The Chair introduced his written report:
 - o Jane Hutt visited Brussels in June to meet with David Byrne, EU Commissioner for Health and

Consumer Protection. The outcome of this meeting was a high level of interest by the Commission and the World Health Organisation in the Assembly's development of health impact assessment. This has led to a number of meetings involving Assembly Officials, the Commission and the World Health Organisation.

- Cardiff was the venue for the Top Class Business Support Services seminar sponsored by the European Commission DG Enterprise on 11 and 12 of October. The DG Enterprise Group also met on the 15 to the 17 October to discuss Innovation and Patent Protection.
- The Chair gave the opening address at the Business and Environment Conference, which the Commission held in Cardiff on the 9 and 10 of October.
- On the 23 July, Carwyn Jones attended an Agricultural Council meeting in Brussels as part of the UK delegation. Sheepmeat reform was included for discussion.
- The Chair announced that he met with a group of senior officials representing 12 of the accession countries in July who were studying regional policy and development.
- The Chair had accepted an invitation from the Marshal of the Silesian Voivodeship, Mr Jan Olbrycht to visit Silesia.
- The Assembly officially launched the "Secondments to the European Union Institutions Scheme" on the 1 October.
- On 29 October the Chair would be chairing the third meeting of Chairs of the European Committees of the UK Parliaments in Brussels.

1. The Chair noted that during recess there had been a number of Ministerial visits of particular interest to the Committee.

- On the 24 and 25 June, Carwyn Jones attended the Agriculture and Rural Development Committee in Brussels. The Minister and six other Members of the Committee attended a series of meetings with Commission officials, including Franz Fischler's Chief de Cabinet, Welsh MEP's and staff from the Wales European Centre.
- Sue Essex visited Sweden between the 18 and 20 September to meet the Swedish Environment Minister, Kjell Lansson, to discuss their waste strategy and environmental issues in general. Sweden has greatly increased waste recovery and recycling rates over the last decade and reduced the use of landfill, particularly for hazardous wastes.
- Jane Hutt visited Gastein in Austria on the 25 and 26 September to speak at the European Health Forum – integrating Health Across Policies meeting.
- Andrew Davies attended the Tele Region Networks conference in Valencia between the 2 and 6 October.
- On the 14 and 15 October, Carwyn Jones attended "Anuga" 2001, in Cologne, Germany. Anuga is one of the most important information and ordering trade fairs for the food and drink industry worldwide.

1. The following points were raised in discussion:

- The Chair agreed to write to members with information on continued links between the Assembly's Agricultural department and officials from the European Commission.
- The private sector needs to be involved in European secondment opportunities. The Assembly is liaising with WEC to identify potential candidates for secondments.

- Officials clarified that the secondment scheme was initially targeted at the public and voluntary sector.

Item 2: Tele Regions Network

Paper: EUR-05-01(p2)

1. Andrew Davies introduced the paper. The Tele Regions Network (TRN) was established in 1996 and its membership is not exclusively European. The Network disseminates Best Practice and provides a voice for the regions in exchanges with the European Commission. Andrew Davies took office as the President of the TRN in March 2001. The TRN annual conference in Valencia in October, which had a large Welsh representation, focused on creating links between the regions and using information and communication technology (ICT) for regional development including focusing on rural and economic community regeneration. There was a possibility of the next annual conference being held in Wales.
2. Future developments for the TRN included the use of ICT for delivering broadly based initiatives such as economic development and regeneration, sustainable development, equal opportunities and social inclusion. There is an increasing role for the regions in the process of using ICT for delivering this policy agenda. Wales was identified as being advanced in the mainstreaming of ICT for this purpose. The E-Minister had been invited by the European Commission to attend a conference on E-Government at the end of November.
3. The following points were raised in discussion:
 - Silesia is not a member of the TRN at present, although the Network is currently looking to increase their membership.
 - The possible location of a future TRN conference in Wales was discussed. Cardiff should not automatically be chosen although logistical problems of holding the conference outside of the capital were raised. It was also noted that national conferences held in Cardiff would help to support the City's bid for becoming the 2008 European Capital of Culture.
 - There would be an announcement within a couple of weeks on an Action Plan detailing an approach on broadband communications in Wales. Broadband penetration at a regional level was identified as being a useful means for giving citizens improved access to regional government.
 - The digital divide, where higher income countries and regions have greater access to IT facilities was discussed. It is important that community facilities are developed which enable access for all. Wales is to receive 2.7 million from the DTI for improvements in broadband Telecommunications facilities. It is important that the Assembly and ASPB's are aware that the European Commission is looking at ICT as an enabling tool for policy delivery and ICT can lead to improved access to programme's run by the Commission.
 - The development of a system of Rappoteurship between the Committee of the Regions, WEC and the TRN was identified as a positive way of sharing expertise between the bodies.
 - The importance of the Wales Online strategy was discussed. The strategy ensured that the use of IT was embedded in all policy areas and that work was not being duplicated. The Jigsaw project was an example of the success of the strategy.

Item 3: Discussion with Chair of Agriculture and Rural Development Committee

1. Glyn Davies informed the Committee that almost everything discussed on the Agriculture and Rural Development Committee has a European dimension. In regard to foot and mouth disease, European decisions have affected issues as wide-ranging as vaccination, funding and the resumption of exports. Similarly, European reform of CAP will dominate the funding debate in the Agriculture Committee.
2. The following points were raised in discussion:
 - The visit of the Agriculture Committee to Brussels had proved invaluable as a knowledge gaining exercise and it is worthwhile considering a visit once a year.
 - A more pro-active approach needs to be taken towards Europe. It is essential that the Assembly keeps informed on the forward look programmes of the European Institutions, WEC can help in this process. It is important that the Assembly prioritises the issues that require particular attention in order to maintain a pro-active agenda.
 - The Assembly has appointed an official to the Wales European Office to look at Agriculture in a European context.
 - There is considerable value in communication between the committees on issues of common interest. This can be facilitated through members who sit on both committees and through liaison between the clerks.

Item 4: Report on the first meeting of the Working Group on Enlargement

Paper: EUR-05-01(p3)

1. The Chair presented the paper, which updated the Committee on the first meeting of the Working Group. The Group focused on the options available for twinning either with emerging small nations such as Slovenia, Slovakia, Cyprus, Malta and the Baltic Countries or with regions in Poland, Hungary or the Czech Republic. The Group discussed the possibility of twinning with Silesia because of the similarities between the Coal and Steel industries in the respective regions and the difficulties of bringing the industry into a competitive state market. Consideration was also given to twinning with a technologically developed state, such as Slovenia, who are currently dealing with the conversion to Western style economies. The Group also attempted to disentangle the issues that surround the enlargement debate and looked at ways of marketing Wales through the private and public sectors, for commercial purposes and to ensure that the accession countries did not solely develop a London focus.
2. The following points were raised in discussion:
 - The membership of the Working Group includes all political parties, CBI, Federation of Small Businesses, ELWA, TUC Wales, Higher Education Wales, WLGA and the WGA, although there is no representative of the farming industry.
 - The use of the Directorate for Enlargement in future meetings of the Group would be beneficial.

It was considered that an opportunity to meet with the European Commissioner for Enlargement would be helpful to the Committee. The involvement of MEP's in the enlargement debate was also considered to be essential to the Working Group and the Committee.

- Twinning arrangements require an impetus that will drive them forward as a priority in the next 12 months. WEC is currently undertaking a comprehensive audit analysis of regions wider than the candidate countries that will provide a directional strategy, which Wales can pursue, for twinning.
- Wales is marketing itself by highlighting the change that it has undergone from an industry-based nation, to a modern nation. The Wales World Nation initiative is helping in this process.
- The Committee requested an audit of existing links with the candidate countries.

Item 5: Sustainable Development in the European Context

Paper: EUR-05-01(p4)

1. Charles Coombs introduced the paper, drawing particular attention to the European Union's approach to sustainable development, which is broadly similar to the Welsh approach although it is challenge based whereas the Assembly looks at examples of good practice. The Assembly has submitted a grant application to the Commission for a network called the Pan-European Laboratory for Sustainable Development. This would increase liaison with other European regions and build relations with accession countries.
2. The following points were raised in discussion:
 - The Sustainable Development Unit is currently relying upon WEC's advice on the use of political pressure in supporting the grant application.
 - The information on sustainable development could benefit the Working Group on Enlargement particularly as Estonia has similarities with the Welsh position.
 - The feedback on innovative sustainable development projects in Wales and its partner regions may help to inform the Commissions review of the future distribution of Structural funding.

Item 6: Conference of Peripheral and Maritime Regions

Paper: EUR-05-01(p5)

1. Des Clifford introduced the paper, which outlined the Assembly's ongoing involvement in the CPMR. There will be a conference held in Greece in September 2002 and the Assembly delegation would benefit from the Committees involvement. There will also be a meeting of the Atlantic Arc sub-group of the CPMR in July 2002. The opportunity for the Assembly to become involved in the executive of the CPMR should also be considered. Des Clifford mentioned that membership of the CPMR might be useful in providing opportunities for INTERREG III B and C projects.
2. In discussion it was agreed that Assembly Members active involvement in the CPMR would be beneficial in order to influence the organisation rather than solely learning from it.

Item 7: Cohesion in the Enlargement Context

Paper: EUR-05-01(p12)

1. Members of the Economic Development Committee were present for this item.
2. Officials from the Department of Trade and Industry (DTI) made a presentation to the Committee on the future of the EU Structural Funds post 2006 and more generally on the future of economic and cohesion policy in the context of enlargement. As it was not a devolved issue, the DTI were interested in the opinions of the Assembly on the effectiveness of the funds in achieving their stated aims. In the period of 2000-2006, the UK had benefited from approximately £10 billion in Structural Funding. The Minister of state for the regions and employment relations, Alan Johnson, spoke at an informal ministerial meeting in Naumur earlier this summer about the UK government's interest in a thorough review of EU cohesion policy. He said that this should occur before any decisions were taken about its future after enlargement and the current round of regional funding programmes. Three key considerations were to ensure that structural and cohesion funds should be directed towards achieving the Lisbon agenda; that their effectiveness should be improved; and that bureaucracy should be reduced.
3. Wales received approximately £1.1 billion from the 2000-2006 Structural Funds and the accession countries would not affect this current allocation. Accession countries who, except for Slovenia and Cyprus, have a considerably lower average GDP than current EU members would affect future allocations. The process benefits of being part of the Structural Funding system were identified as being easier to evaluate than the economic benefits of the funding: structural funds highlighted regional issues, provided regions with direct contact with the EU's institutions and helped regions develop partnership working. The UK government were concerned that the development of the structural and cohesion funds should not hinder the enlargement process and that future allocations of funds should have fair outcomes for both the current EU-15 and the accession countries. Reform of structural and cohesion funds should be considered alongside other EU policy instruments, particularly CAP reform. For Wales, it might be important to consider the real impact of the structural funds on Welsh economic performance; the value structural funds might add over UK or government of Wales policies, and whether opinion was to favour either the so-called German "net fund" model or the Spanish call for reform to enable all existing recipients of Objective 1 funds to retain their eligibility.
4. The following points were raised in discussion:
 - There was concern expressed that regional disparities in GDP were increasing, especially in the UK. The Committee was informed that it was the UK Governments policy to reduce regional disparities. It was important to evaluate the effectiveness of Structural Funds in reducing these regional disparities.
 - The operating aids made available to Wales because of its Objective 1 status were identified as being as important to Wales beyond 2006 as the Structural Funds themselves.
 - The UK Government was currently formulating its approach towards the future of Structural Funds in consultation with regions and the devolved administrations.
 - GDP was considered to be a crude measurement, but would continue to be used by the Commission because of its applicability throughout Europe.
 - That Wales should wish to participate fully in the emerging debate.

Item 8: Proposed Directive on Information and Consultation of Employees

Paper: EUR-05-01(p6)

1. John Griffiths introduced the paper, which illustrated the need for concern in Wales for the protection of employee's rights. The directive would be beneficial to Wales because it would encourage good business practice in the treatment of employees. Wales should look to attract businesses that comply with the directive as being examples of good practice.
2. The following points were raised in discussion:
 - Members present indicated that they would support the implementation of the proposed directive as soon as possible.
 - Changes have been proposed to the draft directive, which include sanctions for non-complying firms and quicker implementation over a 2-year period.
 - The DTI will have responsibility for implementing the directive and they will consult on how this will be done.
 - The Committee noted that this is a cross cutting issue that requires the views of the Economic Development Committee and other interested parties.
 - The Chair noted that he would seek to inject the view expressed by members into the conciliation procedure between the European Parliament and Council.

Item 9: Inquiry into democracy and accountability in the EU and the role of national parliaments

Paper: EUR-05-01(p7)

1. The Clerk introduced the paper. The following points were raised in discussion:
 - It was agreed that it is necessary to inform the European Scrutiny Committee of the House of Commons that the Committee will make its own contribution to the debate on the White Paper on Governance via the Assembly by the end of March 2002.
 - Individual Political Parties were invited to make submissions to the House of Commons Inquiry if they wished.
 - The Chair undertook to circulate the agenda of the forthcoming Summit of the Regions in Liege to the committee to enable members to contribute their views.

Item 10: Handling Procedures for the White Paper on Governance

Paper: EUR-05-01(p8)

1. Des Clifford introduced the item which outlined the need for a wide-ranging discussion on the implications of the White Paper throughout Wales.
2. The following points were raised in discussion:
 - The Assembly's response to the debate will be broader and more valued if the White Paper was

discussed in Plenary. The Chair will raise the possibility of a debate in the New Year in a future meeting of the Business Committee.

- The Deputy First Minister undertook to write to the Chair outlining ideas produced by the European Commission regarding the creation of a forum for disseminating the issues raised in the White Paper to people in Wales. The forum could link in with work being undertaken by other devolved administrations.
- It was agreed that at all levels of government a mission statement was required before the 2004 summit.
- It was agreed that the White Paper on Governance would be discussed further at the Committee meeting in Brussels on the 5 December 2001.

Item 11: Reports from Standing Invitees

Paper: EUR-05-01(p9)

1. John Griffiths reported that the European Parliament and the Committee of the Regions held a meeting simultaneously in order to develop a protocol for more effective and closer consideration of issues.
2. The Committee noted the paper which reported on the activities of the Welsh MEP's.

Item 12: Brussels Meeting

Paper: EUR-05-01(p10)

1. The Clerk introduced the paper, which detailed the arrangements for the Committee's meeting in Brussels on the 5 December.
2. The Committee agreed to leave the Assembly at 3:45pm on Tuesday 4 December and to submit any issues that they would like to raise at the meeting to Committee Secretariat.
3. It was agreed that the next meeting of the Committee scheduled for the 14 November should be cancelled.

Item 13: Minutes of previous meeting

Paper: EUR-04-01(min)

1. The Committee agreed the minutes of the last meeting.

The meeting finished at 12.30pm.