

EUROPEAN AND EXTERNAL AFFAIRS COMMITTEE

MINUTES

Date: 31 October 2002
Time: 2.00pm
Venue: Committee Room 3&4, National Assembly Building

Attendance:

Members

Rhodri Morgan (Chair)	Labour: Cardiff West
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 Môn
Tom Middlehurst	Labour: Alyn and Deeside
Jonathan Morgan	Conservative: South Wales Central
Rhodri Glyn Thomas	Plaid Cymru: Carmarthen East & Dinefwr
Phil Williams	Plaid Cymru: South Wales East

Standing Invitees

Janet Davies AM	Member of the Committee of the Regions
Rose D'Sa	Economic and Social Council
Glenn Vaughan	Acting Director, Wales European Centre

Invitees

Gisela Stuart MP
 Rt Hon. David Heathcoat-Amory MP

In Attendance

Phil Bird	European and External Affairs Division
Jackie Brown	Head of Unit, European Programmes
Des Clifford	Assembly Office in Brussels
Gary Davies	Head, European and External Affairs Division
Claire Bennett	Committee Clerk
Lara Date	Deputy Committee Clerk

14.00- 14.05

Item 1

Introduction and apologies.

- The Chair welcomed everyone to the first meeting of the Committee after recess. Apologies had been received from Nick Bourne AM, from Jill Evans MEP, Glenys Kinnock MEP, Eluned

Morgan MEP, Jonathan Morgan MEP, Eurig Wynn MEP, and Councillors Jon Huish and Brian Curtis, the new member of the Economic and Social Committee.

- Mr Peter Hain, the newly appointed Secretary of State for Wales but with continuing responsibilities as UK Government representative on the Convention on the Future of Europe, was unable to attend due to his first UK Cabinet meeting. Mr Hain sent his apologies and indicated that, if invited, he would like to attend a future meeting of the committee. The order of agenda items was amended to accommodate his absence.
- The Chair was pleased to welcome Gisela Stuart MP and the Rt Hon. David Heathcoat-Amory MP, UK parliamentary representatives on the Convention on the Future of Europe, to discuss the Future of Europe debate and the issue of the Welsh voice in the Convention.
- The Chair also welcomed a delegation of Romanian civil servants, led by Katherine Himsforth of the Wales European Funding Office, who were observing the committee as part of the UK's twinning arrangements with candidate countries.

14.05 – 14.10

Item 2

Chair's Report

Paper: EUR-06-02(p1)

- The Chair introduced his written report and sought the committee's views on the new report format, which included greater detail on follow-up and outcomes of trade missions, visits and other activities. The new format was welcomed.

14.10 – 14.25

Item 3

Reports from Standing Invitees

- Rosemary Butler AM and Janet Davies AM were invited to report as members of the Committee of the Regions (COR).
- Rosemary Butler welcomed Janet Davies' appointment as a full member of the COR. The main points presented were:
- The last COR meeting included a presentation by Mr David Martin, the first vice-president of the European Parliament with responsibility for liaison with the regions of Europe and COR. It was significant that it was the first time the regions had been included in the portfolio of a senior figure in the Parliament. Mr Martin referred to a report being prepared by the Chair of the European Parliament's Constitutional Affairs committee, on the role of local and regional authorities in European integration. The report was still at consultation stage but in its present form it was clear that they were not prepared to distinguish between bodies with legislative powers and other local and regional authorities. A member of the UK delegation was working on a response to the report.

- An EU Solidarity Fund was to be set up to enable fast-track payments to be made in the case of natural disasters such as the recent flooding of parts of Europe.
- Several important opinions had been debated. The committee would be briefed at a future meeting on developments with an opinion put forward by Mercedes Bresso of the Tuscany region, called 'Towards a Constitution for European Citizens'.
- An informative film on the provision of rail services across Europe had also been viewed and this would be passed on to the Assembly's Environment, Planning and Transport department.
- Future items would include presentations by the Commissioner for Employment and Social Affairs, the Greek Minister of the Interior on priorities of the Greek presidency of the EU, and Jean-Luc Dehaene, vice president of the Convention on the Future of Europe, on the role of the COR in the work of the Convention. The mid-term review of the Common Agricultural policy and reform of the Common Fisheries policy would also be considered. COR's work was being streamlined, with fewer and more detailed opinions presented.
- Janet Davies had attended a meeting where Ronnie Hall, deputy chef de cabinet of Commissioner Barnier, discussed concerns about the delivery of structural funds across Europe in this round. The possibility of streamlining procedures to assist delivery was being considered. The regions had an important role to play in that delivery and it was hoped that the Assembly would contribute to a draft opinion on that. In discussion it was recognised that there were divergent opinions within the EU about where responsibility for delivering funds should lie. The Chair would be attending an advisory group meeting in this regard in January.
- The Chair congratulated Rose D'Sa on her re-appointment to the Economic and Social Committee (ECOSOC) and invited her to report on its work. The main points were:
- The ECOSOC committee had just been reconstituted with a new mandate for 2002-2006 and the main focus of its work was expected to be on enlargement issues, with more to report at the next meeting. A watching brief would also be kept on issues related to structural funds.
- An annual strategic review of European Community law would be provided to the European and External Affairs committee and issues relevant to the Assembly would be included in an accompanying overview.
- The contribution of George Wright, the former Wales representative on the ECOSOC committee for eight years, was recognised, and the appointment of his successor, Brian Curtis, was welcomed.

14.25 – 14.30

Item 4

Re-consideration of submission from the steering group of the Co-ordination Committee of the Regions with Legislative Power to the Future of Europe Convention

Paper: EUR-06-02(p3)

- The committee had approved this submission at its previous meeting but requested another opportunity to consider the issues raised in the document. The paper set out the position of the Committee of Regions with Legislative Power on the Future of Europe debate and the institutional reform that might result. In particular the paper made a case for a distinctive role for

regions with legislative power in the European framework.

- The Chair was due to attend a conference of the Committee of the Regions with Legislative Power on 14-15 November in Florence where the submission would form the basis of discussion on the Convention.

14.30 – 15.40

Item 5

Gisela Stuart MP and the Rt Hon. David Heathcoat-Amory MP

- The Committee was briefed by the two House of Commons parliamentary representatives to the Convention on the Future of Europe. The main points made by Gisela Stuart MP were:
- The Convention was charged with developing a new constitutional treaty by June 2003. It included 56 parliamentary representatives, 28 government representatives, 16 MEPs, 2 Commissioners and their alternates. Almost half of those involved were from candidate countries with no first-hand experience of the workings of the EU and who were still involved in negotiations over their candidacy. Gisela Stuart was also on the 13-member Praesidium, which set the Convention's agenda.
- Gisela Stuart had chaired the working group on national parliaments that had considered developing a mechanism to police the principle of subsidiarity under the new constitutional treaty. The group had recommended that matters referred to national parliaments would also go to legislative bodies within that member state, but at the same time it was considered inappropriate for member states to be told how to deal with their regions. There were political tensions around this issue because the relationship between national parliaments and their regions varied between member states.
- The ten sub-groups of the Convention will have reported by December 2002. From January 2003 the Convention would be considering the institutional balances under the new treaty, and at this stage the voice of regions would be important.
- An exit clause, setting out how member states might withdraw from the EU, must be drawn into the treaty and it should also be clear about how decision-making and consultation processes work in both directions.
- The rotating six-month EU presidency leads to an urgency in decision making towards the end of each presidency and this system should be changed in the future to allow for better forward planning.
- The main points made by David Heathcoat-Amory were:
- The mission was to create a more democratic Europe and tackle the lack of public support and consent for the EU that was demonstrated by low turnout for European elections.
- The centralising tendency was still dominant in the draft treaty, which outlined a single institutional structure with a single legal personality and dual citizenship. The overall architecture was essentially still quasi-federalist and more devolution of power back to member states and within member states was needed. The outcomes of the working group on competences had been disappointing in its recommendations on where responsibilities should lie. More decisions should be repatriated back to member states, and only international issues such as cross-border relations

and trade should be dealt with by EU institutions. The EU institutions themselves should be made more democratic.

- There should be assertive resistance to the centralisation of decision-making outlined in the current draft constitutional treaty and instead the emphasis should be on bringing decisions nearer to the public. The parliaments of member states and regional assemblies should be able to object early on in the legislative process to breaches of the subsidiarity principle.
- In a parallel development, the EU Charter on Fundamental Rights was now recommended by the working group to become legally binding. This went against an earlier UK government position not to adopt it because the rights were not precisely drawn. It could open up issues over access to health, education and training, consumer rights and environmental protection that were guaranteed in the charter and could allow individuals to take legal action against member states.
- National parliaments were an indispensable democratic element of the EU but EU institutions resisted this and the European Commission regarded its monopoly on the right to initiate legislation as essential. At the same time the lack of a single European consciousness prevented the electorate from feeling they were represented in the European Parliament, and this lack of identity would become more of a problem with ten more member states.
- The National Assembly for Wales could not exercise power directly on the centre of the EU in competition with other regions. It would be more realistic to work to get powers returned to the national parliament and thence devolved to the Assembly.
- The main points raised in discussion were:
- Communicating the issues raised by the Convention to representatives of civic society and the general public could be difficult because of the technical language of the EU. Attempts to engage the public were being made, for example, a Convention on Civic Society and a Youth Convention had been held as part of the work of the Convention. It was also noted that House of Lords representative Lord Tomlinson and the Swedish government had prepared a proposition on principles of good governance and accountability to apply to the EU.
- Proposals to give regions more rights of objection to draft EU legislation would be resisted by the argument that the legislative process would be made slower and more cumbersome. A balance should be drawn between the time taken to introduce legislation and the democratic nature of legislative process.
- It was noted that after enlargement the economy of Wales would be larger than six EU member states, and for the constitutional treaty to be stable and lasting the role of regions should be resolved. Too rigid a treaty would not allow scope for further evolution of bodies such as the Scottish Parliament or National Assembly for Wales and that were nations without member states that might later wish to become separate EU member states. Gisela Stuart pointed out that the current principle behind the EU was that member states each had a deciding vote regardless of size, and that it was for each member state to deal with its own sub-national bodies. A 'Europe of the regions' would result in the largest region having the most power, and the only EU member state in which nationhood and statehood were the same thing was France.
- The committee asked about the direction of debate on the future role of the Council of Ministers. The balance between the powers of the various institutions had not yet been properly considered. Another area for consideration was whether there should be more inter-parliamentary debate of certain issues handled at European level, before legislation was drafted. This might prevent

problems or confusion such as that around a recent directive on fridge emissions.

- With regard to elements of the draft treaty such as a possible Congress of the Peoples of Europe, and the inclusion of the Charter on Fundamental Rights, Gisela Stuart noted that the draft treaty text contained building blocks for future discussion, and some proposals might later disappear. Many articles of existing treaties would need to be re-written or amended so much was still to be decided. The entire pillar structure of the EU was being collapsed and rebuilt.
- Some members pointed out that repatriation of powers back to national parliaments would not necessarily benefit Wales. Since 1999 the Assembly had had to implement EU reforms that it had not been consulted on. It would be important for it to be fully consulted on future proposed reforms in areas such as agriculture. The Common Agricultural Policy (CAP) was a good example of where Wales would want to have a direct influence. The powerful influence of member states such as France and Germany made it important for Wales to have a voice not just at the beginning of consultation but at all stages.
- Parliamentary scrutiny of decision making by the European Council was discussed. An idea had been proposed that parliamentary representatives should accompany Ministers to the EU Council of Ministers. How the parliamentary scrutiny bodies would fit into the framework set out in the draft Treaty was unclear as yet. Gisela Stuart proposed that the Commission should present its annual work programme to national parliaments and an e-mail network could be developed to enable UK politicians to raise and discuss any breaches of subsidiarity they identified.
- The Chair thanked the parliamentary representatives for speaking to the committee.

The committee agreed to break at 15.40.

16.00 – 16.05

Item 6

Minutes of previous meeting

Paper: EUR-05-02(min)

- The Committee agreed the minutes of the last meeting.

16.05 – 16.15

Item 7

Report on the Committee of Maritime and Peripheral Regions (CMPR) General Assembly

Paper: EUR-06-02(p3)

- The Deputy First Minister informed the committee about the latest meeting of the CMPR General Assembly. The main points raised were:
- A series of interesting policy debates were held on transport and the future governance of the EU and sustainable development and EU regional policy.
- Around 150 regions in Europe had CPMR membership and more could be gained by further engagement in its work. Officials had been encouraged to become more involved, and the support

of Cabinet colleagues has also been obtained, in particular relating to the Assembly's membership of one of the seven CPMR geographical sub-commissions - the Atlantic Arc Commission.

- The Assembly has been invited to lead an Atlantic Arc Commission project to explore shared regional identity and a working group would look at whether the Assembly should take a lead on this.
- The CPMR was professional, well organised, offered important networking opportunities and had an interesting perspective on important European issues. Of the European networks open to the Assembly to join it was considered one of the more important and dynamic organisations and was a powerful voice for the regions in Europe.
- It was noted that as more East European countries joined the EU its centre of gravity would move further away from the maritime and peripheral region and this would make the role of the CPMR even more important for Wales.
- The CPMR meeting did not discuss whether enlargement would lead to a lowering of standards in areas such as environmental protection, but it was recognised that this was an issue of general debate.

16.15 – 16.40

Item 8

Wales European Centre Update

Paper: EUR-06-02(p2)

- The acting director of the Wales European Centre (WEC), Glenn Vaughan, was welcomed to the meeting.
- The Deputy First Minister gave an update on developments in relation to the Wales European Centre. The Welsh Local Government Association (WLGA) had decided to establish its own dedicated non-stakeholder presence in Brussels. The remaining members of WEC had been consulted on options for representation in Brussels and they had indicated that they preferred a partnership body, as opposed to a federal approach where each member would operate independently. The Board of WEC had recommended to members a limited company structure as opposed to a joint contractual arrangement, this was to be considered by the WEC Board on 9 December.
- The Assembly Government favoured a managed process that led to strengthened, rounded representation for Wales and the Assembly posts in Brussels would be advertised shortly. In respect of Brussels representation for Assembly Members and the Presiding Office, the House Committee had deferred a decision until its next meeting when it would consider a paper on four options for service provision.
- Tom Middlehurst and Phil Williams both declared an interest as members of the WEC Board. They hoped to see outstanding issues of representation in Brussels resolved soon and in a way that served the mutual interests of all parties. Staff in Brussels had continued to give loyal service in a situation of uncertainty and their future should be clarified as soon as possible.
- A business plan would be presented to the WEC Board at the 9 December meeting to allow

members to make informed decisions. WEC's acting director was currently working with WEC members to define the services they required and the associated costs. The WLGA was also still in discussion with local authorities about the exact services it would provide. Practical working arrangements on the ground would aim to achieve a seamless 'Team Wales' face in Brussels and ground rules would be established and tested over the next 12-18 months. Glenn Vaughan and Des Clifford of the European and External Affairs division had been working together to this end. It was hoped that Assembly staff would be in place by April 2003 but was not clear how soon WLGA staff would be in post. Some members expressed concern that the situation appeared confused and disjointed and goodwill would be necessary to overcome this. Practical arrangements about accommodation and finance were still to be decided and could be reported on at the next meeting.

The meeting finished at 16.40 pm.