

European and External Affairs Committee

Minutes

Date: 29 April 2004

Time: 9.30am

Venue: Committee Room 3&4, National Assembly for Wales, Cardiff Bay

Members	Constituency
Sandy Mewies (Chair)	Labour: Delyn
Christine Chapman	Labour: Cynon Valley
Mike German	Liberal Democrat: South Wales East
Christine Gwyther	Labour: Carmarthen West and South Pembrokeshire
Jonathan Morgan	Conservative: South Wales Central
Rhodri Glyn Thomas	Plaid Cymru: Carmarthen East & Dinefwr
Leighton Andrews (Substitute)	Labour: Rhondda
Janet Davies (Substitute)	Plaid Cymru: South Wales West
Officials	
Gary Davies	Head, European and External Affairs Division
Phillip Bird	European and External Affairs Division
Jackie Brown	Head of Unit, European Programmes
Des Clifford	European and External Affairs Division, Brussels

Julian Revell	Education, Training & Economic Statistics
Charles Coombs	Strategic Policy Unit
Committee Service	
Lara Date	Committee Clerk
Julie Owen	Deputy Committee Clerk

Item 1

Introduction, Apologies, Substitutions and Declarations of Interest (9:30 - 9:32)

1.1 The Chair welcomed everyone to the meeting.

1.2 Apologies had been received from the First Minister - Rhodri Morgan AM, Nick Bourne AM, Rosemary Butler AM and Ieuan Wyn Jones AM. Leighton Andrews was attending as a substitute for Rosemary Butler and Janet Davies was substituting for Ieuan Wyn Jones. Apologies had also been received from standing invitees Jill Evans MEP, Jonathan Evans MEP, Glenys Kinnock MEP, Eluned Morgan MEP, and Eurig Wyn MEP and Rose D'Sa (ECOSOC).

1.3 There were no declarations of interest under Standing Order 4.5.

1.4 The Chair drew the member's attention to the recent clarification of Standing Order 8 which meant that should the membership fall to less than four members at any time the meeting would become inquorate.

1.5 The Committee expressed its thanks to the former Committee Clerk, Claire Bennett, for all her help and guidance and wished her well for the future.

Item 2

Minutes of previous meetings and matters arising (9:32 - 9:35)

Paper: EUR(2)-03-04(min) - Minutes of 25 March meeting

2.1 Subject to the amendment in paragraph 5.2, bullet point 8, to read 'International Eisteddfod', not 'National Eisteddfod', the minutes were ratified.

2.2 Members noted the following papers:

- the Committee response to the European Commission document COM(2003) 843 final on the re-examination of the Working Time Directive, which brought together the views of other Assembly Committees on the Working Time Directive consultation document.
- A letter from the Department of Trade and Industry (DTI) regarding the UK Government proposals for reform of regional policy. The letter was in response to the Committee's request for further information from DTI following a presentation by DTI officials at the 26 February meeting.
- A letter from the Deputy Presiding Officer regarding video-conferencing and broadcasting arrangements in the New Assembly Building

Item 3

Forward work programme 2004-2005 (9:35-9:50)

Paper: EUR(2)-04-04(p01) - Draft Forward Work Programme

3.1 The Committee considered its draft forward work programme. It was noted that the timing of some items might change over time. Members agreed that consideration of the Euro should be included in the forward work programme.

3.2 Members requested that arrangements be made to meet the new EU Commissioner and Welsh MEPs whilst in Brussels for a meeting in the autumn term. It was important to finalise a date for that meeting as soon as possible.

Action points:

- The Forward Work Programme would be amended to include consideration of progress with the Euro Preparations Committee, and a more comprehensive report from the First Minister would be taken at the next meeting.
- Possible dates for a meeting in Brussels would be identified and circulated to members as soon as possible.

Item 4

Minister's Report (9:40 - 10:17)

Papers:

EUR(2)-04-04(02) - Minister's Report

EUR(2)-04-04(03) - Update on Reform of Regional Policy

4.1 The First Minister had sent his apologies for the meeting. The Head of European and External Affairs Division, Gary Davies, made the following additions to the First Minister's report:

- The UK Government's White Paper on Europe had been published on 22 April. Members' would be circulated an internet hyperlink to the White Paper.
- The development of a memorandum of understanding between Latvia and Wales was in its final stages and it was hoped that it would be signed during a visit by the Latvian President on 13 May. The Committee had previously endorsed such links following the visit by the Latvian Ambassador to the Committee. Further details of the final MOU would be available in due course.
- A series of activities to mark EU Enlargement had been planned in conjunction with the Foreign and Commonwealth Office, including a concert in Cardiff on 1 May and a seminar on Structural Funds in Swansea later in the year. Events would run for the whole of May with further events during the following few months. Members would be circulated the calendar of events again.

4.2 Des Clifford reported on the JMC(E) meeting held on 27 April at which the Working Time Directive had been discussed. European court rulings could have serious implications for the Wales and the UK, in particular:

- residential on-call time, the time a doctor spent on call, whether working or not, being regarded as working time.
- compensatory rest which should be taken immediately rather than "within a reasonable time frame".

4.3 The UK had lobbied other Member States to recognise the probable implications. In the UK it was considered that a 60% rise in the number of doctors might be needed to meet the requirements of the Directive. The Directive would also affect those employees who wanted to work overtime in order to boost their income. At present employees were able to opt out of the Directive and the UK would want to retain this option on a voluntary basis for its workforce.

4.4 It was felt that much progress had been made with other Member States and that some flexibility would be incorporated in revised legislative proposals to be published by the summer, that would return to the situation as it had been before the European Court of Justice judgements. As the EU Commission were sympathetic to the UK's position it was unlikely that any legal action would be taken against the UK during the period between August, when the current junior doctors' agreement ended, and legislative changes to the Directive being finalised.

4.5 The First Minister, the Finance Minister and the Permanent Secretary represented the Welsh Assembly Government on the Wales Euro Preparations Committee (WEPC) which met with Welsh

business organisations to discuss any proposed arrangements and their likely affect on Wales. A national changeover plan had been published and an internal changeover plan would be completed in October. The changeover plan contained details for a referendum on entry to the Euro should one be agreed to, and an indicative timeframe. The plans would be circulated to Members

4.6 At the Euro Roundtable meeting with the Rt Hon Paul Boateng MP, Chief Secretary of the Treasury, held at the National Assembly for Wales on 19 April, he made it clear that the referendum on the European Constitution was a separate issue to that of possible entry to the Euro.

4.7 Members considered an update paper on EU regional policy reform that gave illustrative figures for different budgetary scenarios. The following points were made:

- Depending on what percentage of EU GNI was agreed upon for the overall EU budget, whether 1% or 1.25%, would make a major difference to the budget allocated to Wales for regional policy programmes, and members felt that the importance of this should be drawn to the First Minister's attention in order to bring pressure to bear on HM Treasury on the issue.
- Leader+ had now been incorporated into CAP and would not be a feature of future policy budget lines.
- The population figures used were those from 2001 (Census year).
- The illustrative figure of 2.6 billion Euro provided in the paper was at 2004 prices, and while the amount might be similar at future 2006 prices it was not possible to know that in advance. This amount had not been offered by the European Commission, but was an extrapolation of the figures under the proposals it had put forward.
- Six countries: UK, France, Germany, Sweden, Netherlands and Denmark had written to Romano Prodi, President of the European Commission regarding a reduction in the budget to 1% of GNI. These were net contributors, countries which paid in more than they received.
- The timescale for setting the EU budget had not yet been agreed but would probably be after May 2005. The 2000-2006 budget had not been agreed until 9 months before it came into effect.
- An explanation was requested on the reasoning behind the Commission endeavouring not to spend more than 1.14% of EU GNI whilst setting out an overall EC budget ceiling on commitments averaging 1.26%. This was probably to allow a contingency for unforeseen commitments but further clarification would be provided by Des Clifford.
- The possibility of amending the boundaries to include Objective 2 areas as part of Objective 1 was discussed. This had been examined further with the European Commission and was not as easy as it had first appeared. It would involve a change to EU legislation. Wales had previously benefited from boundary changes due to the local government reorganisation at the start of the last period, which had presented a compelling case at the time. It was considered unlikely that the EU would be so receptive to proposing changes this time.
- Members were also interested to receive more information on the possible difference to the budget for Wales under the Barnett Formula if the EC budget as a proportion of EU GNI was cut to 1 per cent, if all the UK Government savings were put back into domestic spend and if other budgetary allocations remained the same. If possible the data was requested as an annual figure. Officials noted that this information might be difficult to obtain but would provide a reply.

- It was also requested that the figure of 2 billion Euro in scenario 'a' could be expressed as a percentage of current Structural Funding for the 2000-2006 period, in Euro.

Action points:

- An internet hyperlink to the UK Government's White Paper on Europe would be circulated to members.
- Details of the Memorandum of Understanding between Wales and Latvia would be made available to members after it was finalised.
- Details of events to mark EU Enlargement would be circulated to Members again.
- Copies of the national changeover plan and internal changeover plan for the Euro would be circulated to Members.
- The Head of the Assembly Office in Brussels would provide future updates on progress of negotiations on the Working Time Directive and the revised legislative proposals would be circulated to members when they were published.
- Members would receive further information to explain the difference between the proposed overall EC budget figure of 1.26 per cent of EU GNI and the lower figure of 1.14 per cent given in paragraph 4 of paper EUR(2) 04-04(p3)
- Members would receive further information regarding a) the estimated difference in budget to Wales under the Barnett formula (if possible as an annual figure) if the EC budget as a proportion of EU GNI was cut to 1 per cent, if all savings were put back into domestic spend and if other budgetary allocations remained the same, and b) the figure of 2 billion Euro in scenario 'a' as a percentage of current Structural Funding for the 2000-2006 period, in Euros.

Item 5

Scrutinising European Legislation (10:17 - 10:42)

Papers:

EUR(2)-04-04(04) - List of European legislation

EUR(2)-04-04(05) - Note on operation of scrutiny system during the previous term.

5.1 Members noted the documents and were interested to discuss "SEC(2004) 332 - European Security Strategy - Fight against terrorism" in more detail at a future meeting, in light of the Civil Contingencies Bill and as there were aspects for which the National Assembly for Wales had responsibility. As the strategy was wide-ranging, Members would inform the Committee Chair and Clerk of those areas they wished to focus on.

5.2 It was noted that legislation in areas that were reserved to Westminster but in which the Assembly would have a role in implementation should be brought to Committees' attention. Specifically it was noted that media proposals were being put forward by the UK Government on which the Assembly did not appear to have been consulted. This matter would be raised in the Culture, Welsh Language and Sport Committee. Welsh Assembly Government officials noted that they would expect to be consulted by Whitehall counterparts on matters that affected Wales. Regarding pre-legislative scrutiny by Assembly Committees, it was noted that earlier in the week the Panel of Chairs had held a joint meeting with the Welsh Affairs Committee in Westminster. It was planned to use future such meetings for pre-legislative scrutiny sessions but there were matters to resolve before this could take place. Members requested a paper on how negotiations were progressing and the proposed framework for future joint working. The paper would also be circulated to other Assembly Committees.

5.3 Annex B was a full list of the EU documents that had been sent to all Committee Clerks and Chairs to consider. A list was then sent to each Committee who would then decide which items, if any, they would want to discuss further. There was concern that some items of interest to members might slip through the net. It was suggested that if a member was aware of such an item it should be brought to the attention of the relevant subject committee chair.

5.4 The Committee discussed a paper on the operation of the EU scrutiny system to date. It included suggestions intended to assist other Assembly Committees in the process of scrutinising EU documents in the future, that the Chair could take to the Panel of Chairs if Committee members were in agreement. In discussion it was noted that although the European and External Affairs Committee could draw the attention of other committees to documents, and even suggest joint meetings were held to discuss items of interest to more than one committee, they could not direct committees to discuss them. If the European and External Affairs Committee wanted to clarify how other committees were handling specific documents then it could write to the relevant Chair to request feedback. The issue of how to obtain retrospective feedback could also be raised with the Panel of Chairs.

5.5 The current system was still in the early stages of development. It allowed policy issues to be spotted early on but members were also interested in how those policy proposals could be followed through over time as part of Committees' work programmes. Committees were looking at documents and some were of more relevance than others, but some members were concerned that the system was not yet fully mainstreamed into Committee business. Half of all legislation in the UK originated from Europe and so Committees could potentially be missing out on considering that half of all legislation.

5.6 It was noted that the current scrutiny system made allowances for the level of capacity available within Members' Research and Committee Services to provide the necessary research and briefing on each item of legislation. If more resources were to be allocated it would have budgetary implications that would be a matter for the House Committee to consider. It was also recognised that Committees had limited time available and that they were not always able to fully discuss items of legislation.

5.6 It was agreed that a paper would be prepared for submission to the Panel of Chairs that summarised

the views raised in discussion and feedback would be requested. The consideration of the consultation on the Working Time Directive would be put forward as an exemplar of how the system identified issues of importance for consideration by more than one Committee.

Action points:

- Members would inform the Committee Chair and Committee Clerk of those areas of "SEC(2004) 332 - European Security Strategy - Fight against terrorism" they wished to focus on in a future meeting.
- Members would receive a paper on the progress of discussions with the Welsh Affairs Committee on joint working on pre-legislative scrutiny of non-devolved issues. The paper would also be circulated to other Assembly Committees.
- A paper summarising the views expressed by the Committee on the operation of the EU scrutiny system to date would be submitted to the Panel of Chairs and feedback would be requested on the points raised in that paper.

Item 6

Consultation on the Sustainable Development Action Plan (11:02 – 11.32)

Paper: EUR(2)-04-04(06)

6.1 The Minister for Environment, Planning and Countryside had invited all Assembly Committees to consider and provide comments on the draft Sustainable Development Action Plan by 21 May, with the final version to go to plenary in July.

6.2 Charles Coombs from the Strategic Policy Unit introduced his paper. Following the election the Assembly had been obliged to revise their Sustainable Development scheme. He explained that the action plan had been developed to accompany the revised sustainable development scheme "Wales: A Better Country" which had been adopted by plenary on 16 March.

6.3 It was suggested that too many indicators for the environment would dilute the overall effectiveness and that it would be better to concentrate on a few areas. The UK had 15 headline indicators and an accompanying core set of 130, whilst the Assembly intended to use 12 indicators and five or six composite aggregate indicators including; economic activity; global impact of consumption; biodiversity; the overall level of deprivation in Wales; and genuine economic progress.

6.4 It had been recognised that when people thought of sustainable development they automatically thought of environmental matters. The problem of how to embed sustainable development in other spheres such as education or social regeneration was discussed. It was agreed that it was not easy to tie into other policy areas, however it was planned to jointly develop guidance and training tailored to individual organisations, including the use of policy integration tools and excellence models.

6.5 The question of how sustainable development was taken forward by ASPBs and other agents and how they were progressing was raised. Some ASPBs had their own sustainable development strategies. Matthew Quinn, the Head of the Strategic Policy Unit had met with Chief Executives of ASPBs to discuss sustainable development. They had looked at what could realistically be achieved and the steps to take this forward.

6.6 Sustainable development in service provision such as within the NHS and schools would need to be tackled differently. It was hoped to include sustainable development and global citizenship as part of the curriculum. Pupils would be able to implement what they had been taught in schools. Sustainable development was thought to go hand in hand with good health. The NHS could build in the good practice they currently employ when heating and designing buildings.

6.7 The network of regions (NRG4SD) Conference had adopted policy statements on tourism, water, renewable energy, strategy development and regions and governments working together. Workshops had also been held on issues including trade, procurement, cultural identity, use of IT, and these would feed into policy statements at the 2005 Conference to be held in Java. A meeting would also be held in New York in the margins of the UN Summit on sustainable development. The network had also started taking steps to formalise its existence as a legal identity. The European network for sustainable development was nearing the end of its current funding but there were currently links with that network.

6.8 The action plan would be evaluated on a regular basis, with a full review in 2007. Members were keen to see the Welsh Assembly Government demonstrate levels of success in reaching sustainable development targets. Concern was expressed that although the report laid out plans for action there did not appear to be evidence of a significant mindset change. There was little evidence in how Ministers handled their portfolios of the importance of sustainable development. It was felt that it was vital for attitudes to change before Wales could be said to be operating sustainably. There appeared to be no presumption in favour of sustainable development.

6.9 It was recognised that there could be a conflict between development and sustainable development. The plan referred to a transport framework based on sustainability principles and there was a clear need to improve transport links, especially road links, as a vital step forward for Wales. In the past Objective 1 money had not been used for this purpose but it was hoped that there would be more flexibility in the criteria for Structural Funds spending on infrastructure for the period 2007-13. The development of the Wales Spatial Plan by the end of 2004 would also contribute to debate on how to improve infrastructure.

6.10 There were concerns that after five years the National Assembly still had a plan where the emphasis appeared to be on structures and principles rather than action. It was suggested that a possible way forward was to address what was unsustainable in Wales in a systematic way that would then give a good basis for progress to be made.

6.11 The Action Plan was noted as a very useful document that set out matters in a clear, concise manner. However it was recognised that there would always be problems translating such plans into

action, hence the need for it to be revised on a regular basis.

6.12 It was noted that the page numbering on the English and Welsh versions of the action plan differed and it was suggested that some effort be made to make the two correspond, taking into account differences in the language.

Action point:

- The Committee's comments would be noted as part of the consultation on the Sustainable Development Action Plan
- The Committee would receive a short progress paper on how the network of regions for sustainable development (NRG4SD) was developing.

Item 7

Update from Committee of the Regions and British-Irish InterParliamentary Body members and MEPs (11:32 - 11:43)

Paper: EUR(2)-04-04(10)

7.1 Rosemary Butler AM had submitted a written report on Committee of the Regions activities, including a meeting at the EU Parliament in Brussels on 21/22 April.

7.2 Janet Davies AM had also attended the meeting but had not been able to speak, as only two members of the delegation had been designated to speak. Hostility had been expressed towards the proposal to reduce contributions to 1 per cent and this had come strongly from MEPs present. The issue of State Aids had also been raised. Janet Davies AM would report back to the next Committee meeting on a forthcoming meeting of the COR Commission for Territorial Cohesion that would discuss the cohesion report, and a meeting of the cohesion forum.

7.3 Members noted that Rosemary Butler AM had reported experiencing problems in being unable to access her computer profile, including e-mail access, from the Assembly Office in Brussels. This was probably as a result of changes to the arrangements for representation in Brussels for the National Assembly for Wales and the Welsh Assembly Government. It was agreed to write to the House Committee to draw the matter to their attention and ask that arrangements be made for Assembly Members to access their computer profiles from the Assembly Office in Brussels.

7.4 Mike German AM had attended a plenary meeting of the British-Irish Inter-Parliamentary Body on 19 April and gave a brief outline of the background to the British-Irish Inter-Parliamentary Body (BIIPB). It was established in 1990 as a forum for the exchange of views between Westminster and the Irish Parliament. Following the Good Friday Agreement its role changed and it was expanded to include representatives from the National Assembly, Scottish Parliament, Isle of Man, Jersey and Guernsey. Its

aim was to promote mutual understanding and encourage co-operation between the parliaments and assemblies of the British Isles by providing a forum for joint debate.

7.5 The Body sat in plenary twice a year with the UK and Irish Parliaments taking turns to host. Verbatim records were taken and there was a Question Time to Ministers at the start of plenary session, during which a Minister from the host parliament answered questions from all members. The Body had four committees:

- Committee on Sovereign Matters
- European Affairs Committee
- Economic Committee
- Environment and Social Committee⁵

7.6 Some Members were concerned that with enlargement there was a danger that the Body might become little more than a talking shop, however others saw its future role as a scrutiny body for the British-Irish Council. Mike German AM favoured the latter option, with the body using the Nordic Council as an example of what could be achieved. It could perhaps allow entry to some of the new accession States and become an embryo body to focus on the regionalisation of EU accession countries, on which debate had already begun. The Body was currently in reform mode.

7.7 A report presented at the 19 April meeting on the development of health policy in rural areas would be circulated to Committee members.

7.8 The role of the BIIPB would be discussed more fully at the next Committee meeting, to be held on Thursday 27 May and beginning at 09.00 am.

Action points:

- The Committee Chair would write to the Chair of the House Committee to draw their attention to the difficulties Members have experienced in accessing their computer profiles from the Assembly Office in Brussels.
- A BIIPB report on the development of health policy in rural areas would be circulated to Committee members.