

DRAFT TO COMMITTEE

EUROPEAN AND EXTERNAL AFFAIRS COMMITTEE

REPORT TO THE ASSEMBLY FOR 2003-2004

1. Introduction

1.1 Standing Order 15 states that the European and External Affairs Committee shall report to the Assembly from time to time. This report covers the period 26 June 2003 to 31 March 2004.

2. Membership

2.1 During the year membership was:

Nick Bourne
Rosemary Butler
Christine Chapman
Michael German
Christine Gwyther

Ieuan Wyn Jones
Sandy Mewies (Chair)
Jonathan Morgan
Rhodri Morgan
Rhodri Glyn Thomas

3. Meetings

3.1 During the period the Committee met formally 7 times. All meetings were held in public. On 13 November 2003 the Committee met in Brussels.

4. Remit and Responsibilities

4.1 The Committee's remit and responsibilities are set out in Standing Order 15, which is attached at annex 1.

4.2 Broadly the Committee's purpose is to ensure that a coherent strategic approach is adopted by the Assembly in relation to Europe, and nations external to the European Union. This includes ensuring that there is a co-ordinated approach to the Assembly's responsibilities in relation to the European Union in each of the subject committees.

4.3. To facilitate the exchange of information between Assembly members and Welsh representatives in the various European institutions, Standing Orders allow the participation at the committee's meetings of Welsh Members of the European Parliament and Welsh representatives of the Committee of the Regions. The committee has extended this invitation to Welsh representatives on the Economic and Social Committee (ECOSOC) and the European Commission Representation in Wales. Attendance of standing invitees is detailed in Annex 2.

5. Amendments to Standing Order 15

5.1 In June 2003 the Committee discussed the role of Standing Invitees and proposed amendments to Standing Order 15 to all representation from the Committee of the Regions to alternate, and to allow Committee members to be substituted. These amendments were made by resolution in plenary on 19 November 2003.

5.2 On 4 December 2003, the Committee agreed that Standing Order 15 should be amended to include the word 'proposed legislation' at 15.1(iii), to clarify absolutely that the Committee's remit includes keeping a strategic overview of the Assembly's arrangements for the consideration of legislation.

5.3 The addition of the words, "EU Member States" at 15.1(i) and "and the Assembly's involvement in European and International organisations" at 15.1(iv) clarified the Committee's remit to make it clear that it is responsible for keeping the relationship with other EU Member States and involvement in EU and international organisations under review.

5.4 A third amendment made provision for the Assembly to put in place arrangements for the subsidiary infringement monitoring role set out in the draft EU Constitution (see 6.23 below), which would come into effect if the Constitution was agreed and ratified:

"15.4 The Committee shall take the lead in the Assembly in considering the subsidiarity implications of proposed European legislation and will liaise with the UK Parliament and other devolved legislatures in the consideration of these implications."

5.5 These amendments were made by resolution in plenary on 31 March 2004.

6. Summary of Committee Activities

6.1 The Committee has focused on key European and external affairs issues of importance to Wales, and reviewed the Assembly's procedures for engaging in European matters. In a year that has seen the countdown to enlargement of the European Union from 15 to 25 Member States, key issues have included the development of the draft EU constitution and the role of European regions under a new constitutional treaty, and the reform of regional policy, including the future of Structural Funds programmes post-2006.

6.2 A significant development in the Committee's work has been the establishment of a system for scrutiny of EU documents deposited with the UK Parliament.

Relations with the regions, other nations and institutions of the European Union

6.3 The Committee is required to review the Assembly's relations with the regions, other nations and institutions of the European Union, and its methods for informing and advising those institutions of the needs of Wales. The Committee receives regular reports from the First Minister on the Welsh Assembly Government's relationship with European institutions, and issues relating to Wales in Europe and the wider world.

Committee of the Regions and other organisations

6.4 Committee member Rosemary Butler AM is a full member of the Committee of the Regions (COR), and alternate member Janet Davies AM also attends the Committee as a Standing Invitee to provide a regular report on COR activities.

Priorities of the EU Presidency

6.5 In October 2003, Minister Capitani of the Italian Embassy to the UK addressed the Committee about priorities for the Italian Presidency of the EU at a critical stage in the constitutional treaty process. In December 2003, the Irish Ambassador to the UK, Daithi O Ceallaigh, and the Irish Consul General in Wales, Jim Carroll, discussed plans for Ireland's Presidency from January 2004, on the basis of a 12-month joint programme drawn up with the Dutch Presidency that would follow it.

Meeting in Brussels

6.6 The Committee's meeting on 13 November 2003 was held in Brussels to facilitate attendance by MEPs, as well as senior European Commission officials, representatives of UK Rep and other key Brussels-based contacts. Jill Evans MEP spoke to the Committee about the latest World Trade Organisation Trade Round and Fair Trade, alongside representatives from Oxfam International, Oxfam Cymru, the European Commission's Directorate-General Trade and UK Rep. The two other themes of the meeting were the future of Structural Funds (see 6.18 and 6.19 below) and the draft EU Constitution (see 6.21 and 6.22 below). During the day Members also met with Brussels-based officials working for the Welsh Assembly Government, Welsh Local Government Association, Wales European Centre and MEPs. The Committee has resolved to hold at least one meeting a year in Brussels, with the next planned for autumn 2004.

Liaison arrangements with UKREP, and with United Kingdom government departments on European issues

Effective co-ordination between the Assembly Government and the UK Government

6.7 Sir Stephen Wall, Head of the Cabinet Office European Secretariat, attended a meeting in October 2003 to speak about the role of that office and liaison arrangements between the UK Government and the Assembly Government. The European Secretariat's role since the UK had joined the EU had been to co-ordinate UK Government policy and to manage the process leading to consideration of issues by the European Court of Justice in cases of disagreement. Sir Stephen suggested that there was a need for those involved in discussions to think more about future implementation of directives during negotiations, as it was easy to get caught up in the process of promoting the UK position.

EU co-ordination in the Assembly

6.8 In March 2004 the Committee discussed arrangements for coordinating EU matters in the Assembly with the European and External Affairs division (EEAD). It considered the relationship between EEAD and Assembly policy divisions; how EEAD division worked with the Cabinet Office EU Secretariat under the concordat rules to ensure that transposition was carried out on time; and attendance of Assembly officials at weekly meetings between the head of the Cabinet Office European Secretariat and the head of UK Rep when relevant items were on the agenda. It was noted that the forthcoming UK Presidency would mean EEAD taking on the coordinating role for Wales. Staffing of the Welsh Assembly Government office in Brussels had been significantly increased and Members were pleased to hear that this was having a positive impact across policy areas.

Report on EC-UK Chairs Meeting

6.9 A useful meeting was held in Aberdeen on 12 January 2004 between the Chairs of the European Committees in the UK. The UK Committees' work programmes shared many themes, and the Chairs also discussed the handling of EU legislative scrutiny, and planned activities to mark enlargement on 1 May. The next meeting of the EC-UK Committee Chairs will be hosted by the National Assembly for Wales in the autumn of 2004.

Methods and procedures for the consideration of documents, issues and questions emanating from European institutions

Scrutiny of EU Legislation (Standing Order 9.8(i) and Standing Order 15)

6.10 At its meeting on 9 October the Committee agreed proposals for more proactive scrutiny of European legislation. The Panel of Chairs subsequently endorsed the Committee's proposals. At each meeting the Committee considers a list of all EU documents deposited in the UK Parliament since its previous meeting.

6.11 A number of documents have been identified for further consideration, either by the European and External Affairs Committee or by Subject Committees. Notably the Committee requested Subject Committee's views on a consultation for changes to the Working Time Directive, and submitted a

coordinated response to the European Commission. A joint meeting of the Economic Development and Transport, and Environment, Planning and Countryside Committees to consider a tranche of EU environmental proposals has also resulted. The Committee will be evaluating progress with the scrutiny system in the summer term 2004.

The European Commission Annual Work Programme

6.12 The Committee considered an analysis of the Commission's Annual Work Programme in June 2003 and December 2003, and circulated the Work Programme to other Assembly Committee Chairs for consideration. The Committee's recommendation for a joint meeting of the Committees for Economic Development and Transport, and Environment, Planning and Countryside, to consider a suite of EU environmental proposals, was taken forward.

Reports from Subject Committee Chairs

6.13 The Committee received reports from Committee Chairs about how European issues were being considered in the work programme of the Committees for Environment, Planning and Countryside, Economic Development and Transport, and Culture, Welsh Language and Sport. Further presentations are planned for the forward work programme.

Relations with regions and nations external to the European Union and involvement in European and international organisations

6.14 The First Minister provided regular detailed reports on meetings, missions, visits and other activities to promote Wales within the EU and further afield. The Committee also received regular reports from Standing Invitees from the Committee of the Regions, ECOSOC and the European Commission Office in Wales. During the year the Committee reviewed the benefits of membership of various European and international bodies, agreeing to look at each body separately to understand its effectiveness in meeting the Assembly's purposes. In January 2004 the Presiding Officer provided an update on the work of the Conference of European Regional Legislative Assemblies (CALRE), an organisation that offers the opportunity to learn from other regional assemblies.

Promoting Wales internationally on St David's Day

6.15 The Committee was informed of the work of the Welsh Assembly Government to promote St David's Day overseas. Over eighty-eight consulates, embassies and high commissions took part in an initiative to 'fly the flag for Wales' and undertook other Welsh-related events at the time to celebrate St David's Day. Activities included the official opening of the Wales International Centre in New York and the lighting up of the Empire State Building in the colours of the Welsh flag.

Presentation by the British Council

6.16 In March 2004, the Committee received a presentation from the Directors of the British Council in Wales and Wales Arts International on their organisations' current and planned activities to promote cultural and educational exchange, and to deliver the distinctive contributions of Wales to the UK as a whole.

Monitoring the general impact and consequences for Wales of policies pursued by European Union institutions

6.17 Key issues that the Committee kept under review during 2003-04 included:

The reform of regional policy

6.18 Throughout the year the Committee considered the development of proposals to reform European regional policy put forward by the UK Government and the European Commission, including options for post-2006 support for 'statistically affected regions' such as Wales. Two joint meetings were held with the Economic Development and Transport Committee to discuss the future of the Structural Funds programmes. The Committee received presentations from senior European Commission officials, Graham Meadows, Acting Director General for Regional Policy, and Manfred Beschel, Chef De L'Unité, DG Regio C1 (Ireland and the UK), and from Dimitri Pur from the Mission of the Republic of Slovenia to the European Union. Officials from the Department of Trade and Industry (DTI) and HM Treasury attended the Committee twice to present the UK Government's reform proposals, 'A modern regional policy for the United Kingdom', to which both Committees submitted a formal response.

6.19 In February 2004 the Committee discussed the European Commission's 'Financial Perspectives' document, and its third report on Cohesion Policy. Subject Committees were also encouraged to consider the cohesion report, which was later debated in plenary. The First Minister gave regular reports on the progress of negotiations by Member States on the EU Financial Perspective, cohesion policy and proposals for the future of regional policy funding after 2006.

Enlargement of the European Union

6.20 The impact of enlargement was considered, with the Committee noting the work of the Assembly's Enlargement Working Group, and activities planned in Wales to mark the accession of ten new Member States. Members discussed the impact of enlargement with the Ambassador of accession state Latvia, and Charles Garrett of the Foreign and Commonwealth Office's EU Directorate.

The Convention on the Future of Europe and the Draft EU Constitution

6.21 At its meeting in Brussels in November, the Committee discussed the draft EU Constitution with William Sleath from the European Commission Task Force on the Convention, Freddy Evens of the Flemish Regional Government, and Michael Aron of the UK Permanent Representation to the EU (UK Rep). The Committee discussed how devolved administrations could influence decision making in the

Inter-Governmental Conference (IGC), and noted that a joint paper containing proposals for greater involvement from regions, put forward to the IGC by the Secretary of State for Wales, had been well-received by Member States and regions.

6.22 Regular updates on the progress of the IGC were received from the First Minister, and the Chair reported on her attendance at a European Parliament conference on the Convention on the Future of Europe. The progress of negotiations on the draft Constitutional Treaty was also discussed with diplomatic representatives of Italy and Ireland, holders of the EU Presidency during 2003-04.

6.23 The Committee considered mechanisms for implementing the proposals in the draft Treaty for an 'early warning system' to consider subsidiarity infringements, and for liaising with the UK Parliament to inform possible reasoned opinions on proposals. A sub committee was agreed as the preferred option, should the proposals on subsidiarity in the Treaty be agreed.

Reform of the Common Agricultural Policy

6.24 The Committee wrote to the Minister for Environment, Planning and Countryside to receive information concerning negotiations to reform the Common Agricultural Policy.

Participation in European Elections

6.25 The Institute of Citizenship visited Cardiff as part of its 'Get the Vote Out' campaign and Emma Whiteacre briefed the Committee on initiatives to encourage active democracy and participation in the European elections 2004. Committee Members were amongst those invited to a campaign event at the Millennium Stadium.

7. CROSS-CUTTING ISSUES

Equality of Opportunity

7.1 On behalf of the Committee, the Chair contributed factual information to the review of mainstreaming equality in the Assembly undertaken by the Equality of Opportunity Committee.

Sustainable development

7.2 The Committee is due to consider the Assembly Government's draft Sustainable Development Action Plan at a meeting in the summer term 2004.

7.3 The system of EU scrutiny allows the identification of EU documents relevant to equality and sustainable development that can be referred to the relevant Assembly Committee for consideration.

8. The Future Programme

8.1 The Committee's priorities for 2004-2005 are set out in its Forward Work Programme. Key areas of work include:

- Regular reports from the First Minister
- Regular reports from Welsh MEPs, Members of the Committee of the Regions, the European Commission Office in Wales and Members of ECOSOC
- Regular scrutiny of European proposals deposited in the UK Parliament and review of the EU scrutiny process in the Assembly
- Reports from Chairs of Assembly Subject Committees on their scrutiny of European issues
- EU Commission Annual Work Programme – six monthly reviews
- Presentations from representatives of Member States holding the EU Presidency - twice a year
- Annual updates from various EU and international bodies
- The Committee's annual report
- Consultation on the Sustainable Development Action Plan
- The Assembly's External Relations Strategy and work of Wales Trade International, WDA and WTB in promoting Wales
- Reform of regional policy
- Update on the draft European constitution
- Progress with the Lisbon Agenda
- Update on progress in the World Trade Organisation's negotiations on the Doha Development agenda
- Progress on work of the Euro Preparations Committee

Sandy Mewies AM

Chair

STANDING ORDER 15 - Committee on European and External Affairs

Title and Terms of Reference

15.1 There shall be a Committee on European and External Affairs, which shall keep under review:

- (i) the Assembly's relations with the regions, other nations and institutions of the European Union, and its methods for informing and advising those institutions of needs of Wales;
- (ii) the Assembly's liaison arrangements with UKREP, and with United Kingdom government departments on European issues;
- (iii) the Assembly's methods and procedures for the consideration of documents, issues and questions emanating from European institutions, having particular regard to the need for liaison with Members of Parliament responsible for scrutiny of European matters of particular relevance to Wales; and
- (iv) the Assembly's relations with regions and nations external to the European Union and the Assembly's involvement in European and international organisations.

15.2 The Committee shall monitor the general impact and consequences for Wales of policies pursued by institutions of the European Union, and ensure that there is adequate liaison with the Members of the European Parliament representing Wales and Welsh representatives on the Committee of the Regions.

15.3. The Committee shall avoid duplicating the work of Subject Committees, but may draw particular issues to the attention of relevant Subject Committees and, with the agreement of the relevant Subject Committee, may consider any matter falling within Standing Orders 15.1 or 15.2 which is otherwise wholly within the remit of that Subject Committee. The Committee may assess and where necessary report on the significance of proposed European legislation affecting Wales which falls within the remit of more than one Subject Committee.

15.4 The Committee shall consider, or arrange for the consideration of, the subsidiarity implications of proposed European legislation and shall liaise with the UK Parliament and other devolved legislatures in the consideration of these implications.

Membership

15.5 The members of the Committee shall be elected by the Assembly having regard to the desirability of each Subject Committee being represented on the Committee and so as to ensure that, so far as practicable, the balance of political groups in the Assembly is reflected in its membership. The Assembly shall elect one of the members of the Committee to chair the Committee, but it may not be chaired by a Minister.

15.6 A Committee member who has given advance notice to the chair may be represented at a meeting, or a part of a meeting, of the Committee by another Member from the same political group who has been identified in advance. In giving such notice, the Member shall indicate the reason for the need for substitution. The nominated representative may participate in the meeting of the Committee in all respects as if he or she were a member of it. No Member may represent more than one Committee member at a meeting.

15.7 Members of the European Parliament representing Wales, and the Assembly's representatives on the Committee of the Regions, may attend and, with the permission of the chair, speak at the Committee's meetings when these are in public, but they may not vote.

15.8 Assembly Members who have specific constituency or regional interests to pursue in relation to the work of the Committee may in advance of any meeting seek the chair's permission to make representations to the Committee at that meeting, but they may not vote. Members may also write to the chair requesting that their observations on any aspect of the Committee's work be tabled for consideration by the Committee at its next meeting, and the chair shall arrange for such tabling to take place.

Reports

15.9 The Committee shall report to the Assembly from time to time.

Annex 2

Standing Invitees attending at Committee Meetings

Standing invitees attended meetings on the dates indicated below:

Members of the European Parliament

Jill Evans - 13 November 2003

Eluned Morgan - 26 June 2003

Economic and Social Committee

Rose D'Sa - 9 October 2003, 13 November 2003

European Commission Office in Wales

Janet Royall - 26 June 2003, 9 October 2003, 13 November 2003, 4 December 2003, 22 January 2004, 26 February 2004, 25 March 04

Committee of the Regions

Rosemary Butler AM (full member) – 13 November 2003, 4 December 2003, 22 January 2004, 26 February 2004, 25 March 2004.

Janet Davies AM (alternate member) - 4 December 2003, 22 January 2004, 26 February 2004, 25 March 2004.