

EUROPEAN & EXTERNAL AFFAIRS COMMITTEE

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Date:	24 November 2005
Time:	09:00 - 12.00
Venue:	National Assembly for Wales, Cardiff Bay
Title:	Lisbon Strategy and the National Economic Reform Programme

Purpose

To update the Committee on links between key Welsh Assembly Government strategies and the Lisbon National Reform Programme.

Recommendation

Committee is asked to note progress with the Lisbon National Reform Programme.

Background

At the spring European Council in March 2005, it was agreed that all Member States should submit National economic Reform Programmes to the European Commission setting out the key reforms they are undertaking to promote jobs and growth.

The UK National Reform Programme has now been prepared by the Treasury with the input of a number of Whitehall departments, devolved administrations and external stakeholders. Against a background of intensifying pressures associated with the globalisation of markets, it describes the approach that the UK Government is taking to promote macroeconomic stability, sound finances, stronger productivity growth and higher employment, consistent with the Integrated Guidelines of the Community agreed by the European Council in June.

Detail

The National Reform Programme is a short strategic document setting out how the United Kingdom plans to deliver the Lisbon agenda, which aims to make the European Union the most competitive and dynamic, knowledge based economy, in the world. The UK Programme sets out the UK Government's priorities as they relate to:

- Entrenching macro-economic stability.
- Ensuring fairness through a modern and flexible welfare state.
- Building and enterprising and flexible business sector.
- Promoting innovation and productivity growth.
- Ensuring that the UK has the skills base to maximise the impact of new and innovative sectors and businesses.
- Increasing innovation and adaptability in the use of energy resources and promoting low-carbon sources of energy.

The UK Government has a critical role to play in creating the conditions, at Member State level, in which businesses and thus the economy can thrive. The national economic development strategy for Wales is set out in 'A Winning Wales', published in 2002. 'A Winning Wales' is complemented by Action plans which sets out the key actions that must be taken if Wales is to attain its economic goals: the Innovation and Entrepreneurship Action Plans being two key examples.

The Skills and Employment Action Plan 2005 sets out priorities for action if both individuals and businesses are to have access to the correct skill sets to enable full participation in the future economy of Wales.

The priorities identified within these strategies and action plans are entirely consistent with those described in the UK National Reform Programme. The current review of 'A Winning Wales', provides a further opportunity to fine tune policies within the national economic development strategy in the context of the Lisbon agenda and changing circumstances.

In delivering the Lisbon strategy, each EU Member State has agreed to mobilise all appropriate national and EU Community resources, including any Structural Funds that are available. The National Reform programme document for each Member State provides an overall policy context for economic reform at Member State level, and will also be used as a strategic reporting mechanism for action, including the use of any Structural Funds contributions.

The European Commission has issued draft guidelines on how Cohesion and Structural Funds can

contribute to the Lisbon agenda. Member States are also currently preparing their National Strategic Reference Frameworks (NSRF) that outline the strategy for delivering Structural Funds through the operational programmes, and the contribution these will make to the European Community's strategic objectives. The major themes and priorities of the Welsh NSRF chapter of the UK Framework will be drawn from the refresh of the national economic development strategy A Winning Wales, the Skills & Employment Action Plan 2005, the Wales Spatial Plan and other relevant Welsh Assembly Government strategies. The priorities will also build upon the key principles for future programmes, agreed by Cabinet earlier this year. These were published in the EDT Committee paper on Post 2006 Structural Funds on 14 July 2005. WEFO is working closely with the Post 2006 External Stakeholder Group and Operational Programmes workstream to finalise the text of the draft chapter. A public consultation on the UK framework document is expected in December 2005.

Financial Implications

There are no financial implications associated with this paper.

Action for Subject Committee

To note that the UK National Reform Programme has now been agreed and forwarded to the European Commission.

Rhodri Morgan

First Minister

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