



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Materion Ewropeaidd ac Allanol
The Committee on European and External Affairs**

**Dydd Mawrth, 5 Hydref 2010
Tuesday, 5 October 2010**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Nick Bourne	Ceidwadwyr Cymreig Welsh Conservatives
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jeff Cuthbert	Llafur Labour
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Bill Burson	Rheolwr Rhaglen Comenius, Cyngor Prydeinig Cymru Comenius Programme Manager, British Council Wales
Sebastian Graca da Silva	Ieuentid ar Waith, Cyngor Prydeinig Cymru Youth in Action Manager, British Council Wales
Andy Klom	Pennaeth Swyddfa'r Comisiwn Ewropeaidd yng Nghymru Head of European Commission Office in Wales
Rebecca Matthews	Cyfarwyddwr, Cyngor Prydeinig Cymru Director, British Council Wales
Judith Thomas	Rheolwr Cyfathrebu Rhaglen Erasmus, Cyngor Prydeinig Cymru Erasmus Programme Communications Manager, British Council Wales
Jan Truszczyński	Cyfarwyddwr Cyffredinol, Cyfarwyddiaeth Gyffredinol Addysg a Diwylliant, y Comisiwn Ewropeaidd Director General, DG Education and Culture, European Commission
Ei Ardderchogrwydd / His Excellency Mr Johan Verbeke	Llysgennad Gwlad Belg i'r Deyrnas Unedig Belgian Ambassador to the UK

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Lara Date	Clerc Clerk
Gregg Jones	Pennaeth Swyddfa UE Cymru, Gwasanaeth Ymchwil yr Aelodau Head of Wales EU Office, Members' Research Service
Sarita Marshall	Dirprwy Glerc Deputy Clerk
Rachel O'Toole	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

Dechreuodd y cyfarfod am 9.04 a.m.
The meeting began at 9.04 a.m.

Ethol Cadeirydd Dros Dro Election of a Temporary Chair

[1] **Ms Date:** I declare this meeting of the Committee on European and External Affairs open. Owing to the unavoidable absence of the Chair for the start of today's meeting, item 1 on the agenda is now the election of a temporary chair. I therefore invite nominations from committee members for the position of temporary committee Chair to be elected under Standing Order No. 10.19.

[2] **Rhodri Glyn Thomas:** Yr wyf yn **Rhodri Glyn Thomas:** I nominate Jeff enwebu Jeff Cuthbert. Cuthbert.

[3] **Ms Date:** Are there any other nominations? I see that there are not. I declare that Jeff Cuthbert is elected temporary Chair and I invite him to take the chair.

[4] **Jeff Cuthbert:** Thank you very much indeed.

*Penodwyd Jeff Cuthbert yn Gadeirydd dros dro.
Jeff Cuthbert was appointed temporary Chair.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introduction, Apologies and Substitutions

[5] **Jeff Cuthbert:** I welcome all Members, officials and those in the public gallery who may arrive during the course of our meeting. Headsets are available for translation and sound amplification; the translation is on channel 1 and the amplification is on channel 0. I ask everyone to ensure that mobile phones and other electronic devices are switched off completely, as they can interfere with the sound equipment. In the event of an emergency, an alarm will sound and ushers will direct everyone to the nearest safe exit and assembly point.

[6] We have not been notified of any apologies, apart from the lateness of the Chair, who will be here in due course. Are there any declarations of interest? I see that there are none.

9.08 a.m.

Menter Flaenllaw Ewrop 2020—Youth on the Move Europe 2020 Flagship Initiative—Youth on the Move

[7] **Jeff Cuthbert:** We will now move straight to item 2, which is the Europe 2020 flagship initiative, Youth on the Move. Paper EUR(3)-13-10, paper 1, applies to this item. Just to give you some quick background here, the European Commission's Youth on the Move communication of 15 September is the second of the Europe 2020 flagship initiatives to be announced. Today is an opportunity for Members to question the Commission on details of the proposals and the implications for Wales.

[8] I welcome Mr Jan Trzuszczynski—and I trust that I have pronounced your name correctly—who is the director general of the Directorate-General for Education and Culture at the European Commission. He is accompanied by our Gregg Jones, who is the head of the Assembly's EU office in Brussels. I invite you, director general, to make some introductory comments on this matter and then I shall turn to Members for any questions.

[9] **Mr Trzuszczynski:** Chair, honourable members of the committee, I wish to thank you very much for this valuable initiative on behalf of my DG, on behalf of the Commission. Indeed, now that the Commission has adopted this flagship initiative, which, as you rightly

say, was three weeks ago, our concern is to promote it, to publicise it, and to let people know what the Commission has in mind, what the Commission wants to do in the years to come, and what the Commission would like our member states to start doing. Increasingly, in order to use education and young people's mobility to energise our societies, to grow and to wind back welfare, Youth on the Move will be one of the main tools for implementing the 10-year strategy that our member states approved and set in motion in June.

[10] Youth on the Move is not a funding instrument; it is rather a set of main fields of action, supported by implementing tools that are, first, to bring more synergy and coherence to what we have been doing for young people since 2007, since the start of the present multi-annual financial framework for the EU and, secondly, to pave the way for an even bigger focus on education and mobility under the next multi-annual financial framework of the EU, starting, as we all know, in 2014.

[11] There are four main strands of Youth on the Move. This strategy foresees, first of all, the modernisation of education and training systems. Secondly, we want to do more for higher education institutions.

9.10 a.m.

[12] Thirdly, we are focusing increasingly on what I already mentioned, namely mobility, but learning mobility first and employment mobility secondly. Finally, since it is a Commission product, it is not just my part of the Commission that is behind it; it is also our colleagues from the Directorate-General for Employment, Social Affairs and Equal Opportunities. The four strands of our strategy propose the youth employment framework, which is basically active labour market policies plus reforms of certain labour market rules.

[13] I am fully prepared to highlight and give more precise information about what you find in each of the four baskets that I just outlined. I suppose, however, that since we do not have much time, Chair, it might be that you would prefer to ask questions instead of sitting there patiently while I roll out the entire message. What is your view? Shall I continue with presenting the main aspects?

[14] **Jeff Cuthbert:** We have another 20 minutes, so if you would like to take another five minutes to outline those key aspects, we would be very grateful.

[15] **Mr Truszczyński:** Very well. Under the modernisation of education and training systems, what we will do this year is to propose to the member states the council recommendation on reducing early school leaving. That matters a lot because there are too many young people who do not finish even vocational education and training or secondary school. The average for Europe at present is close to 15 per cent; we want to bring it down to not more than 10 per cent in the course of the next 10 years. The United Kingdom should be interested because the rate in the United Kingdom is close to 17 per cent at present—pretty high.

[16] It is not a prescriptive thing that we are going to do. We are rather going to offer an array of possibilities in a manual that the member states, given their national specificities, will pick from in order to use pre-emptive measures, preventive measures and, sometimes, measures to repair the already existing unwelcome situation.

[17] We also want to do, secondly, more for vocational education and training. In December of this year, you will see member states adopting a 10-year strategy to make vocational education and training more attractive, to get an increasingly better match between future skills and future demands for jobs.

[18] Thirdly, we would like to propose—but this will come early next year—a quality framework for traineeships. As we know, traineeships increasingly are being used by business as unpaid jobs without giving the young people much prospect for landing their first permanent job. We want to do something concrete here to help young people.

[19] Finally, under the main tools, we will be proposing next year something that I hope will be important, namely the recommendation for our member states on how to promote and validate the non-formal and informal learning. Everybody knows that it matters a lot what you learn outside school, and it matters a lot that it be recognised and validated for it to be used as currency by the young man or the young woman on the labour market. Too little has been done in this regard in Europe and we need to do more.

[20] If you look at our universities, that will be the second area of our action. Regarding the higher education sector, we will be coming next year with comprehensive communication on the ways to further modernise our higher education delivery systems. We will couple that with a proposal for the internationalisation strategy of our European universities. Next year we will, I hope, be offering multidimensional university ranking. Work on a European ranking, not resembling things that you know in the United Kingdom such as *Times Higher Education* ranking, has been going on in Europe for the last year and a half. We hope to get a manageable, good product next year, allowing young people and their parents to make a considered choice of a university or higher school where they want to study. We hope that it will give added value to European universities.

[21] We will be doing more for innovation in the higher education area. We will be coming forward next year with what is called a strategic innovation agenda of the new tool that we have in Europe. That new tool is the European Institute of Innovation and Technology, which got off to a rather brisk start earlier this year.

[22] If I look at the other areas, the mobility issues, clearly we need to do more and better to help young people to move when they learn across borders. Evidence suggests rather strongly that this is a benefit for every young person. This adds to the transversal skills of the young person and this, of course, increases the young person's chances on the labour market regarding the first job after school or university, and regarding adaptability and employability in general.

[23] We have offered to member states recently the council recommendation on promotion of learning mobility. There are still scores of different areas in each of our member states that make it difficult for young people to effectively move across borders. There is every reason to promote the view that such barriers have to be dismantled gradually, one by one, in line with each member state's specific situation and specific possibilities. What we would like to see is simply movement forward and not a stalled situation such as the one that we have witnessed in the course of the past few years. This is why, along with this council recommendation, which I hope will be adopted by our member states as their 'to do' agenda early next year, we will be proposing later—towards the end of next year, I suppose, or maybe even at the beginning of 2012—a tool enabling our member states to compare how they are faring and how much progress they are making in dismantling those barriers. This tool will be what we call the mobility scoreboard. For the moment, it is just a proposal to the member states. I hope that this will be raised and supported by them, because, ultimately, it is something that will help them streamline and develop their activities and stay largely on track for what they have decided to do.

[24] For learning mobility, we want to propose, hopefully next year—work is going on on this—something that we call the European skills passport. As you know, there is a tool already in application across Europe called Europass. It gives evidence and records of skills and competencies gained by a young person mainly in the informal and non-formal context,

but we want to do it better. We want this skills passport to become an instrument that will really have market value and will be recognisable and acceptable for entrepreneurs or employers in general. Such things are easier said than done, of course, but I think that the prospects for getting this done are now much better than they were in the past.

9.20 a.m.

[25] Employment mobility also matters. Our colleagues from DG Employment are suggesting such things as using the European employment services information system to develop a specific pilot project enabling a better and easier match between young job seekers and their future employers. It is not to say that EURES does not do this kind of job, but there is no specific dedicated focus on the young job seekers looking for their first job. So, that is going to be released for use next year.

[26] We will also be using a vacancy database, a European vacancy monitor, to help young people to find their way around the labour market. We will also bring forth a report that will offer information on how the EU legislation on the freedom of movement of workers is being applied. We are going to propose a monitoring report, if you like.

[27] The first area, Chairman, honourable members of the committee, is obviously young people's employment. On this, quite a lot has to be done, of course, by the member states. For example, the youth guarantee. It would be very good if the member states could make the commitment that no young person will be left unattended and that every young man and woman, within four months of finishing school or graduating, will be able to find a job, training, or work activity of a different nature.

[28] We would also like to encourage further reform of the labour market in our member states on issues like contracts and wage regulation. When I look at contracts, I have in mind the increasing possibilities to turn away from fixed-term contracts to permanent contracts. As far as the EU is concerned, we will be coming with what we call a European progress micro finance facility. This will be a fairly small-sized tool, €100 million, but as we seem able to activate more than €500 million of the market from other sources of funding, the idea here is to offer microloans to potential young entrepreneurs. This tool has been developed and will be launched next year. We will also start the systematic monitoring of the young excluded people, the category that we call NEETs, namely those who are not in employment, education or training. That is, those who are excluded.

[29] These, Chairman, are the main tools to be used in 2010 and 2011. As I have already remarked, it should create a basis to argue effectively, hopefully with success, that education should be given a more prominent role and greater access to funding under the next multi-annual budget of the European Union. The role and place of education among the drivers of change and growth between now and 2020 has been politically recognised by the member states. It enjoys unreserved political support, but there is a long road between that situation and securing a positive outcome of undoubtedly very difficult budgetary negotiations that will start between our member states towards the end of next year. The Commission will try to support member states with good evidence and tangible data showing how each euro spent on the cross-border transnational mobility of young people generates a higher ultimate return than if that euro had been used only within the national boundaries.

[30] Obviously, Youth on the Move should also play a political role in this, enabling us to secure a better, bigger and more effective role for education within the EU policies that are developed as of 2014.

[31] **Jeff Cuthbert:** Thank you, director general, for that most comprehensive outline. I do need now to turn to questions from committee members, as time is limited. I will turn to

Rhodri Glyn in a moment for his one or two very brief questions, but I would like to ask you a question first. You mentioned NEETs, which we are, unfortunately, very familiar with here in Wales and, of course, the importance of improving vocational education in order to improve employability. What is crucial, of course, is that moves such as this are supported across Europe by employers and, indeed, the trade unions. As far as I am aware, the European Trade Union Confederation has not yet issued any statement explicitly expressing support, but as far as you are aware, does the Youth on the Move initiative enjoy support from employers and the trade union movement across Europe?

[32] **Mr Truszczyński:** Yes, we hope to see precise confirmation of that, Chairman, in December this year, along with this 10-year strategy of making vocational education and training more attractive. That is going to be adopted by our member states on, I think, 7 December under the Belgian presidency. We are going to relaunch something that admittedly has not been done sufficiently in the past couple of years, namely the renewed discussion between entrepreneurs, trade unions and administrations of the member states and us on the vocational education and training issues. One session of such a discussion is obviously not enough to keep people involved, motivated and in a co-operative mood, so this is something that we would like to see turn into a regular operation. The launch, as I said, is scheduled for December.

[33] **Jeff Cuthbert:** I turn to Rhodri Glyn Thomas and I will ask all members of the committee to be as brief as they can. If you have more than one question, please put them all together in one piece.

[34] **Rhodri Glyn Thomas:** Hoffwn ganolbwyntio ar yr ymdrech i fonitro swyddi gwag yn Ewrop. Gan fod y systemau ledled Ewrop mor wahanol i'w gilydd, a ydych yn ffyddiog bod modd sicrhau bod hwn yn gweithio yn effeithiol drwy bob aelod wladwriaeth yn Ewrop?

Rhodri Glyn Thomas: I want to focus on the effort to monitor job vacancies in Europe. As the systems across Europe are so different from each other, are you confident that there is a way of ensuring that this works effectively throughout each member state in Europe?

[35] **Mr Truszczyński:** No, I am not confident, but my lack of confidence is basically due to insufficient technical expertise. As it happens, this is one of the areas covered by another service, by DG Employment. What I see in the document gives me, of course, reassurance that this is going to be done more effectively than has previously been the case, but I have no technical expertise of my own to underpin that statement.

[36] **Nick Bourne:** Thank you, director general, for the presentation. My question is really about the language provision. As you appreciate, in Wales, we have two languages. I am sure that many people in Europe speak English, but fewer speak Welsh of course. What emphasis are we putting on this programme as far as Welsh youth is concerned to ensure that there should be proper language training so that they are very mobile within parts of Europe where English perhaps is not so prevalent?

[37] **Mr Truszczyński:** Well, languages constitute one of the horizontal support measures we have been using within the present lifelong learning programme. We have 23 official languages in Europe and around 60 regional languages, which, of course, includes the Welsh language.

9.30 a.m.

[38] We have a policy on multilingualism and that policy will result in greater support for language training for professional purposes, for supporting job mobility, and especially training mobility. Clearly, the bulk of work has to be done in the member states. The EU

budget is just a complementary tool. I would not like to say that it is peanuts, but it is, indeed, a tiny complement to the outlays that have to be made within the national education systems on this. It will remain one of the strands of support and, indeed, if you look at the annual European Day of Languages—we had an event last Friday, 24 September—the main theme there was languages for transnational mobility for business and how to support training in languages for entrepreneurs and especially for young entrepreneurs. A conference on this alone will not solve the problems, we are all aware of that, but it is evidence, if you like, of the focus and attention that we will continue to give to these issues at the level of the European Commission: of that you can be sure.

[39] **Eleanor Burnham:** Mae gennyf gwestiwn byr ar sut mae'r rhaglen yn cystyllu â mentrau blaenllaw eraill o dan baner Ewrop 2020. Sut y byddech yn ymateb i bryderon y gall dull gweithredu sy'n canolbwyntio ar sectorau arwain at weithredu di-drefn ar lawr gwlad, yn hytrach na gweithredu mewn modd cydlynol a chyffannol?

Eleanor Burnham: I have a short question on how the programme links with the other leading initiatives under the flag of Europe 2020. How would you respond to concerns that a mode of operating that focuses on sectors could lead to disorganised implementation on the ground, rather than coherent and holistic implementation?

[40] **Mr Trzuszczynski:** That is always an issue, is it not? After all, most of what we do is, de facto, done by the member states. If you look at the education budget and the youth policy budget managed by my directorate general, just 6 per cent of the total money is managed centrally here in Brussels; 94 per cent is managed by our national agencies, including the British Council office in Cardiff, which is the national agency in Wales. Obviously, to do it properly you need criteria, you need the framework conditions, you need the parameters and you also need monitoring and control tools. Some of our member states complain that we control them too much and that we are excessively detailed and intrusive in that control, but we are talking here about European taxpayers' money, after all, so a minimum of control will remain necessary if we are to implement this in a cohesive fashion.

[41] Admittedly, should we get much greater support for education and youth policy in the next multi-annual budget of the EU, a question arises as to whether we have the support and administrative capacity to face the increased challenge. If I look at the capacity of national agencies in our member states, I think that with simplified tools—and we are going to additionally simplify the use of the lifelong learning programme, the Youth in Action programme and so on—the current administrative capacity here and in our member states should be sufficient to cover an increased budget. The question is, of course, how much the next budget will be. Here, we simply do not know yet. If you look at the gap that undoubtedly does exist between the high-quality demand coming from our member states and our ability to financially satisfy that demand, there is reason to claim that we need greater access to funding. In terms of the Erasmus programme, Wales is a good example of where Erasmus is being used well and increasingly for placements in industry. These are much in demand among young Welsh students.

[42] The overall gap between supply, which is roughly 200,000 grants to study or to go on placements per annum for the entire EU, and the high-quality demand, which last year was 370,000 applications, tells you something about the appetite for our programmes. If I look at the Marie Curie research grants for pre-doctoral and post-doctoral young researchers, there is also much demand for that among young Welsh researchers. I have looked at the figures. Here, too, we have activities of Marie Curie where we can satisfy between 10 and 15 per cent of the demand coming from the research community. Clearly, I am not going to claim that we need a budget that will be five or seven times greater than what we have at our disposal at present, but arguments can be made on paper for greater European support for researcher mobility, teacher mobility, student mobility, job seeker mobility, vocational education student mobility and so on. That is money well spent, as the evidence shows.

[43] **Jeff Cuthbert:** Thank you very much, director general. I am afraid that we have to draw this session to a close. We are very grateful to you for your time. We will send you a copy of the draft transcript of this session so that you can check it for factual accuracy. Thank you very much indeed.

[44] **Mr Truszczyński:** Thank you very much, Mr Chairman. Have a good day.

[45] **Jeff Cuthbert:** Thank you.

9.39 a.m.

Y Wybodaeth Ddiweddaraf am Weithgareddau'r Comisiwn Ewropeaidd yng Nghymru Update on European Commission Activities in Wales

[46] **Jeff Cuthbert:** We will now move on to the update on European Commission activities in Wales. I welcome Andy Klom, who is a regular attendee here but, on this occasion, he is the subject of the item. I invite you to give us an oral update on the work of your office, Andy.

[47] **Mr Klom:** Good morning and thank you very much, Chair. I will give a short update and leave time for questions, considering our schedule.

[48] We last met at the meeting in June at which I presented the previous update. Since then, we have gone through our regular summer schedule, mostly focused on young people, schools and educational activities, which is a little bit in line with the previous presentation. At the beginning of July, at Bodelwyddan castle in St Asaph, our Europe Direct centre in Llangollen organised a major school event for year 9 students based on the European Year for Combating Poverty and Social Exclusion. This followed on from a series of events earlier on this year.

[49] This was followed by teacher training that the European Commission's office here in Cardiff provided to schoolteachers in Cardiff and its surroundings, because part of the Welsh curriculum is focused on that module called 'Wales, Europe and the World'. Unfortunately, teachers do not get enough training in that respect and we have started trying to provide that training to them in an ad hoc way.

[50] As usual, at the Royal Welsh Show, we were the guests of the Assembly Government in its large pavilion, and we again provided information, together with Assembly Government officials and Europe Direct attendees, regarding EU affairs and, in particular, EU agricultural policy. That was followed by the National Eisteddfod this year where we had a large collaboration with a lot of EU-linked organisations: British Council Wales, because of its Erasmus, Comenius and European voluntary service activities; CILT Cymru, because of its language promotion activities, linking into the multilingualism policy that the director general has just referred to; and Europe Direct attendees from Wrexham, Llangollen and Carmarthen, all helping us to provide a comprehensive European presentation to those visiting the National Eisteddfod this year.

[51] Since then, in September, we have had what is by now an annual activity, prepared and organised by the Assembly Government, namely the mock EU Council, held here at Tŷ Hywel. We had the third edition of it this year, at which we saw 27 schools from across Wales and one partner school from abroad, from Brittany, doing their thing in trying to find agreement on two recommendations prepared by the Assembly Government for discussion

and fighting it out in trying to get a majority of votes under the new Lisbon Treaty voting rules.

9.40 a.m.

[52] In the past two weeks, we have organised a large range of activities on the theme of the European Day of Languages. It is not a European Union day, but something created many years ago by the Council of Europe in Strasbourg, but it has been adopted in many countries as something EU related. It fits in well with our multilingualism policies. We have school activities in Wrexham by Europe Direct Wrexham, school activities in St Asaph by Europe Direct Llangollen, activities at the Wales Millennium Centre in Cardiff this Sunday by CILT Cymru together with our office and, tonight, we are hosting an EDL event at Cardiff University, with poetry readings in languages from Welsh to Icelandic, as we are trying to reach an older audience there.

[53] To close off that short overview of our activities in past months, coinciding with the summer season, just last Thursday, we had the first-time visit of President Barroso of the European Commission to Wales for the occasion of the Ryder Cup. He was here to attend the opening of the Ryder Cup but also, on the margins, held bilateral meetings with the First Minister and attended a major EU funding event here at the Senedd, organised by the Assembly Government and hosted by the Deputy First Minister, which many Assembly Members attended. He was also formally received by the Presiding Officer for protocol purposes here at the Senedd, after which he went on briefly to the Wales Millennium Centre next door where, as part of the Ryder Cup activities, there was a performance by Welsh National Opera. Unfortunately, the president had to leave early because of personal reasons, namely a bereavement in the family, but, in those limited hours that we had, he received an intense and broad view of all things Welsh.

[54] **Jeff Cuthbert:** Thank you for that, Andy. I can say that Thursday's event with President Barroso was quite something. I was there, as you know, in my capacity as chair of the structural funds programme monitoring committee. It was good to see a number of exhibitors there who are making use of structural funds, particularly from the FE sector, and to see the benefit that it had brought to their learners. I think that he was quite impressed with what he saw.

[55] **Nick Bourne:** It was good to see President Barroso here, and I hope that we can make use of the fact that we are now on the map, as far as he is concerned, through our MEPs and through your office, Andy.

[56] This is a question that you did not really touch on—and there is no reason why you should have done, in a sense—but it has just occurred to me while looking through some of the papers. We have the accession of Croatia coming up and then, some time later, Macedonia, although that probably will not affect this. However, will the inclusion of Croatia in the EU, whenever that happens, affect the Eurostat position to Wales's benefit? I know that we do not want to qualify, in a sense, but if we do, there are some benefits. What would be the effect of Croatia coming in, if it comes in sooner rather than later?

[57] **Mr Klom:** The European Commission will make its recommendations on those enlargement issues later this autumn. That is true and it is high up on the agenda because negotiations are nearly complete. Being a medium-income country, it might not affect the statistics at all unless you go just for a marginal effect. In that respect, over the past 20 years, Croatia has had ample opportunity to move forward and is already benefiting from pre-accession funding to prepare it for that big step. I would not count on too drastic a statistical effect. Rather, an EU of 28 with a stronger Balkan element will have different interests and objectives to pursue and will have a stronger impact on that element.

[58] **Eleanor Burnham:** You just mentioned the European Day of Languages, as was mentioned by the director general with whom we discussed it a few minutes ago. What impact is that having in Wales? How do you see that dovetailing with the previous programme that was mentioned on improving training, education and mobility across the EU—from Wales?

[59] **Mr Klom:** It takes a light-hearted and fun approach, which goes down well with young people, particularly pupils at secondary school level who face that choice of whether to keep up with a foreign language or put together a package that excludes that altogether. All these activities are geared towards trying to convince them, in a playful way, of course, that it is worthwhile, by appealing to their level of understanding at that age that they should keep up with at least one foreign language.

[60] It is coming on and gaining a lot of popularity, but it is no substitute for a formal policy by those in authority—government, local government, Assembly Government—who bear the responsibility for education. In that respect, it fits in with what we are pursuing with multilingualism and the elements that the director general just mentioned, which are so important: career perspective, job opportunities and securing jobs in these difficult times. For those people, it is just the beginning. You have to continue pursuing that. Once they are open and interested in languages, formal education needs to kick in.

[61] **Eleanor Burnham:** You probably know that my two children—and I am sorry to be personal—live in Europe. My daughter has a recruitment company in Romania, and her point of view is that, even though everybody throughout Europe speaks English, the important point is the cultural aspect and showing sensitivity when living in other countries. How do you think that we in Wales can buck the trend of England perhaps, where fewer and fewer people are choosing to study French and German, although perhaps more choose Spanish? How can we ensure that sufficient people have the advantages of going abroad, as my children have had, and being aware of the culture and being able to fit in nicely when they get there?

[62] **Mr Klom:** Speaking a different language gives a different perspective on the world, that is certain. Learning a language means learning a different culture, and we can add on all those exchange opportunities that the EU provides, which roots that perspective in something more fundamental. That creates life skills that people will need if they want to pass on to a higher level, higher quality, higher paid job.

[63] You can leave it up to the young people and their parents to make a voluntary choice about doing that or, as is the case in other EU member states, you could have an education system that makes it obligatory for at least one or two foreign languages to be included in a student's package of subjects, when preparing for final exams. That is an individual choice for each and every member state to make, but the EU recommends that that element of foreign language knowledge, beyond English, be a basic minimum for this big jobs market called the single market. We know that maybe half the world is learning English as a second language and is employing it. Even within the single market, using that language knowledge, they are coming over here and taking up well-paid jobs in the UK and Ireland. We would love to see UK citizens benefit from the same opportunities in the rest of the EU. That is the basic question, of course: is it a voluntary choice or should it be made obligatory by those authorities that are responsible for education?

[64] **Rhodri Glyn Thomas:** Un peth sy'n anodd iawn ei ddeall am addysg yng Nghymru yw pam mae'r niferoedd sy'n dod yn rhugl mewn ieithoedd eraill yn is nag ydynt yn Lloegr. **Rhodri Glyn Thomas:** One thing that is difficult to understand about education in Wales is why the numbers who become fluent in other languages are lower than they are in England. One would have assumed that

byddai dysgu'r Gymraeg fel ail iaith yn ein hysgolion yn arwain at ddyysgu trydedd a phedwaredd iaith, a bod y sgil o ddyysgu un iaith yn hyrwyddo hynny. Nid wyf erioed wedi deall pam nad ydym yn cyflwyno trydedd iaith i'r cwricwlwm ar gyfer ysgolion cynradd a phedwaredd ar gyfer ysgolion uwchradd. Yn ddelfrydol, byddai'n plant ni wedyn yn dod allan o'n hysgolion yn siarad Cymraeg, Saesneg, a Ffrangeg, Almaeneg neu Sbaeneg, yn ôl eu dewis.

learning Welsh as a second language in our school would lead to the learning of a third and fourth language, and that the skill of learning a language would promote that. I have never understood why we do not introduce a third language into the curriculum for primary schools and a fourth for secondary schools. Ideally, our children would then leave school speaking English, Welsh, and French, German or Spanish, whichever they have chosen.

[65] Mae'r Gymraeg yn cael ei chydnabod gan Ewrop bellach. Felly, pe bai rhywun fel fi yn penderfynu chwilio am swydd yn yr Undeb Ewropeaidd lle mae'n rhaid ennill cymwysterau drwy ail iaith, a fyddai hynny'n golygu y gallwn ennill y cymwysterau hynny drwy'r Saesneg, gan fod y Gymraeg yn iaith gyntaf imi?

The Welsh language is now officially recognised by Europe. So, if someone like me decided to look for a job in the European Union where you have to gain qualifications through a second language, would that mean that I could gain a qualification through the medium of English, as Welsh is my first language?

[66] **Mr Klom:** That was an interesting package of questions. I fully agree that having a second language should, in principle, open the door to further language interest, and learning as well, but I am not sure whether that is the case in practice. I am not an expert in that respect, but organisations such as CILT Cymru tell me that, in practice, having Welsh is not necessarily an advantage and does not necessarily lead to pupils having a stronger interest in languages, more engagement, or a desire to add on a third or fourth language, which is unfortunate.

9.50 a.m.

[67] Yes, the Welsh language has co-official status in the European Council, the European Commission and the EU Committee of the Regions—I understand it is still not the case in the European Parliament—but those are, of course, only the EU institutions. In the job market out there, it is not so much about having official status as being of practical use, such as taking up a degree or pursuing a qualification in Germany. Being trained as an engineer, there is no advantage whether you have Welsh or not; you need that basic German to be able to do that qualification.

[68] In respect of the EU institutions, we still have only 23 official languages. So, someone seeking employment in one of the EU institutions, as in the British civil service through civil service examinations, if they were a UK national, he or she could do their examinations only on the basis of the fact that his or her native tongue is English. That is, of course, in contrast to Irish nationals who can indicate that their official language is either Irish Gaelic or English. That is only with EU institutions, of course. In the job market, it is open; whatever the qualification you want to gain, you need the linguistic skills to pursue that.

[69] **Jeff Cuthbert:** Thank you very much, Andy. We have now come to the end of our time. Thank you very much for your opening remarks and your responses to the questions. Of course, you will receive a copy of the draft transcript to check for factual accuracy.

9.52 a.m.

**Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Cyllido'r Undeb
Ewropeaidd—Casglu Tystiolaeth
Inquiry: Welsh Participation in EU Funding Programmes—Evidence Gathering**

[70] **Jeff Cuthbert:** We have a paper for this item, EUR(3)-13-10: paper 2.

[71] I will give a little of the background, but first I wish to welcome Rebecca Matthews, who took over from Kevin Higgins as the new director of the British Council Wales this summer. This is an opportunity for members to meet her formally. This committee is always pleased to receive updates on the British Council's work in Wales; however, the primary aim of today's session is for Rebecca and colleagues to contribute to the committee's short inquiry this term into Welsh participation in EU funding programmes, including the lifelong learning programmes. The British Council is the national contact point for some of those programmes.

[72] For the record, perhaps I ought to declare an interest as chair of the programme monitoring committee for the structural funds in Wales.

[73] Rebecca, would you like to make any opening remarks before we go into the questions, to which you and your colleagues will be invited to respond?

[74] **Ms Matthews:** First, thank you for the opportunity to submit a paper and to give evidence today to the committee. We are pleased to be able to give some indication of British Council involvement in EU funding programmes for research, innovation and lifelong learning and Welsh participation within those. Thank you for the kind welcome and introduction.

[75] My colleagues with me today—if I could just briefly introduce them—are Judith Thomas who is here on behalf of the Erasmus programme, Bill Burson on behalf of Comenius and eTwinning programmes, and Sebastian Graca da Silva, who is here on behalf of the Youth in Action programme. They are happy to take any questions.

[76] I will speak very briefly to the paper by way of introduction and then, of course, my colleagues and I will take questions from the committee on the more detailed elements of any of the programmes. The British Council is the UK's national agency for Erasmus, Comenius, eTwinning and Youth in Action, all of those elements of the EU's lifelong learning programme.

[77] Erasmus, as you will be aware, is the EU mobility programme that enables higher education students and staff to study, work, train and teach in another European country. Since its inception in 1987, over 2 million students have taken part in and benefited from the scheme. Some 4,000 higher education institutions in 31 European countries take part. The students receive a grant from the European Union as a contribution towards additional costs for travelling and cost of living expenses while being overseas. The students' home institution also then provides academic recognition of that time overseas so that it becomes an important and integral part of their degree. The British Council won the contract to act as the Erasmus national agency in the UK in 2007 and we have managed the programme since that time. As the national agency, our role is to administer and disperse funds to institutions and to promote the programme within the UK.

[78] I will talk very briefly about the other programmes. Comenius is targeted towards schools and further education institutions and has two main objectives: developing knowledge and understanding among young people and also among education staff, predominantly around the diversity of European cultures and languages and the absolute value of that diversity; secondly, to help young people to acquire basic life skills and competencies for

personal development for active European citizenship and, of course, for future employment. There are four strands to this, which are outlined in the paper, and I am not going to go into those in any detail, but we are very happy to take questions on those.

[79] Briefly, eTwinning is the European Commission's online partner-finding and collaboration tool for schools or colleges. Students aged between three and 20 years old can participate in this and find online partnerships and programmes and collaborate absolutely free of charge.

[80] Finally, the Youth in Action programmes. Again, the British Council is the national agency. These programmes, which, again, are funded by the European Commission, provide young people with a variety of opportunities for informal learning within a European dimension. The specific programme priorities of the Youth in Action programme are European citizenship, participation of young people, intercultural dialogue and the inclusion of young people with fewer opportunities.

[81] We hope that we have demonstrated in the paper the level of participation of organisations from Wales and across the UK. We have tried to show information that really benchmarks against other parts of the United Kingdom, and we hope that we have shared positive and occasionally some less positive statistics around some of the programmes. Mostly we have demonstrated in the paper how these programmes bring long-term benefits to Wales and across the UK and contribute, we hope, to the strategic priorities of the Welsh Government.

[82] **Jeff Cuthbert:** Thank you very much, Rebecca. I will now turn to Members for questions. First I have Rhodri Glyn Thomas.

[83] **Rhodri Glyn Thomas:** Yr ydych yn nodi yn eich papur bod y nifer o raglenni sy'n dod i Gymru a'r nifer o bobl o Gymru sy'n cyfranogi yn y rhaglenni hynny yn galonogol. Yr wyf wedi edrych ar y ffigurau, ac ymddengys bod y lefel o gyfranogi yng Nghymru yn is o'i chymharu â Gogledd Iwerddon, yr Alban, a Lloegr. Byddwn yn disgwyl i'r ffigwr hwnnw fod yn agosach at 10 y cant. Er, rhaid dweud, bod y llwyddiant yng Nghymru yn galonogol; mae'r rheini yn uwch.

Rhodri Glyn Thomas: You mention in your paper that the number of programmes that operate in Wales and the number of people from Wales who participated in those programmes are encouraging. I have looked at the figures, and it appears that the level of participation in Wales is lower than Northern Ireland, Scotland and England. We expect that figure to be closer to 10 per cent. However, it must be said that the success in Wales is encouraging; those figures are higher.

[84] Ymddengys bod y myfyrwyr sy'n ymgymryd â'r rhaglen Erasmus o Gymru wedi'u cyfyngu i ryw bedwar sefydliad addysg uwch yng Nghymru—Aberystwyth, Bangor, Caerdydd ac Abertawe. A ydych yn poeni nad oes cyfranogi llawer iawn mwy cyffredinol o Gymru?

It appears that the students from Wales participating in the Erasmus programme are limited to around four higher education institutions in Wales—Aberystwyth, Bangor, Cardiff and Swansea. Are you worried that there is not much more general participation from Wales?

[85] **Ms Matthews:** I am going to pass that to my colleague who will answer in more detail on the Erasmus programme, but while those four universities that you mentioned are involved, we do have participation from other universities across Wales, just not at the same significant level as the four main universities that we have listed in the paper. Judith might want to comment on that.

[86] **Ms Thomas:** Yes, I would agree. It is disappointing that perhaps numbers are not

higher in some of the other institutions. However, I think that some of them have not been participating as long as other institutions and that could be reflected in the figures. We continue to work with these institutions. For example, we have a marketing programme running in Swansea Metropolitan University, where we are advertising on the campus computers. So, we are looking at the institutions that are not performing perhaps as well as we would like in marketing terms and in account management terms.

10.00 a.m.

[87] Next year, we will be looking at that in particular, but we have been piloting the scheme this last year in the institutions and there has been quite a good level of interest in it, with students clicking on to the advertisement that is running on the campus PCs and then clicking on to the website for more information. So, that might have an effect, but obviously it takes a while for that to run through to the figures.

[88] **Rhodri Glyn Thomas:** I have a quick supplementary question. Is there a reason why these four institutions have taken up the opportunities where others have not? Is it just a matter of coincidence that these four seem to have shown more enthusiasm for the programme?

[89] **Ms Matthews:** Again, I will ask Judith to comment, but I would say just from an overview perspective that the programme is promoted equally across all institutions and across the whole of the UK. In terms of the uptake from specific universities, it may well depend on their ability to promote it internally and to administer a programme internally, which is why you may see more significant results coming out of some universities than others. I am not sure if Judith has anything to add.

[90] **Ms Thomas:** It is true that it is promoted equally, except that we are looking at institutions that are underperforming. It might also be the type of institution and what they are teaching. The University of Wales Institute, Cardiff, for example, has a big sports focus, and that is not something that Erasmus students traditionally seem to take part in. Apart from that, no, I could not comment further.

[91] **Nick Bourne:** In a sense, my question links in with Rhodri Glyn's question. It seems to me that it is the four traditional, older universities that perform well and the newer ones do not, so there is obviously a job of work to do there. I had also picked up the point about Wales. I do not think that we have picked up on why the figures for Wales seem to be lower than those for other constituent parts of the UK.

[92] There is also another general point to make. It may be because the 2010 applications are not complete yet, although the figures are here, but the numbers do seem to be not quite off a cliff edge, but certainly descending. Many of the programmes have certainly gone down significantly in 2010. I am looking at eTwinning: it has half the number of new teachers and nearly half the number of new schools that it had previously. Why is that?

[93] **Ms Matthews:** Bill, do you want to talk a little bit about eTwinning? I do not think that those figures are complete yet, but I will pass to my colleague.

[94] **Mr Burson:** It is as you said. We are not at the end-of-year figures yet. They are roughly half what they were in the previous two years, but my colleague who manages the promotion of the programme within Wales has indicated to me that those figures tend to rise more steeply towards the end of the year as schools start their new year and we do the promotion round again. So, he is expecting that it will be much the same, although it may increase or decrease very marginally.

[95] **Nick Bourne:** Is there a reason why Wales is not batting as well in terms of applicants as the other parts of the UK? I am referring to all programmes; I do not think that it is just about one particular programme.

[96] **Ms Matthews:** It is an interesting point because all of these programmes are promoted from the Wales office predominantly, but we are the national agency for all of them. So, it is promoted equally everywhere. As Judith has alluded to, we have looked at areas where there is underperformance or where more interest needs to be generated to try to buck that up a bit. There is nothing in these figures or the research that we have done to say why Wales should be performing slightly less well than other countries, although in some of the programmes, particularly Comenius, we are doing substantially better than some other countries. Bill may want to talk about the figures for Wales in that context.

[97] **Mr Burson:** It is as Rebecca said, and we are doing particularly well in terms of partnerships and the setting up of school links for curriculum projects. I am just looking through the figures here. In 2008 and 2009, Wales outperformed Northern Ireland and Scotland in terms of the number of funded applications—in some parts, quite significantly. This year, it seems that all three areas are around the same level and that has indicated a general lowering in the number of applications and funded applications across all three devolved administrations.

[98] **Jeff Cuthbert:** Wales, of course, qualifies for structural funds and that certainly includes the higher education sector—it is heavily involved—does that mean there is a greater focus on that aspect of funding as opposed to this one? Is there any evidence to suggest that they are concentrating more on the structural funds than this other funding?

[99] **Ms Matthews:** Not that I am aware of. If I could come back to Nick's question, certainly in the Comenius partnership area of development, there has been a steady increase year-on-year in Wales. The number of applications and approvals and the amount of funding provided have increased substantially because we now have dedicated officers working from the Wales office. That is something that the British Council is incredibly keen to keep pushing for; it wants the national agency to have representatives at British Council Wales, or to be administering the delivery of the programme from there, because we do see impacts and increases where we have people set in the location. I just wanted to come back on that.

[100] **Jeff Cuthbert:** That is fine; I am sorry for interrupting your flow.

[101] **Ms Matthews:** No, that is fine. Could you repeat your question?

[102] **Jeff Cuthbert:** Given that the whole of Wales qualifies for European structural funds—convergence and competitiveness—and the HE sector is heavily involved, as it is either supporting programmes or is involved in the delivery of those programmes, could that be a factor in any apparent less interest in other forms of European funding, because the sector is directing all its efforts at the structural funds?

[103] **Ms Matthews:** It could be. I do not think that we have evidence to suggest that, but it could potentially be. I do not know if my colleagues have anything to say on that from the Erasmus perspective.

[104] **Jeff Cuthbert:** All right; thank you very much.

[105] **Eleanor Burnham:** Are we just confined to Erasmus and Comenius?

[106] **Jeff Cuthbert:** No, we can ask about anything within the evidence.

[107] **Eleanor Burnham:** I have very similar questions. I am very disappointed as a regional Member for north Wales to note that Glyndŵr University in Wrexham only has a total of three outgoing Erasmus students. What are you doing to improve the take-up? I am sure that there are lots of linkages in Wrexham—Andy mentioned Wrexham considerably in the last paper that he gave. That figure is very disappointing.

[108] The other intriguing factor, looking at the Comenius partnerships, is that applications plummeted between 2009 and 2010, from 62 to 39. How does that fit in with the Comenius in-service training where the numbers shot up between 2008 and 2009, from 45 to 62? Looking at the applications funded in the Comenius assistance programme, I see that you do not have any details for 2009. It is obviously too early for the figures for 2010. Are you marketing these wonderful programmes sufficiently well? Do enough people understand them? Often it is a matter of perhaps—and I say this without patronisation—ignorance on the part of the schools. Perhaps the schools do not understand or do not have sufficient knowledge of how wonderful these programmes can be.

[109] **Ms Matthews:** To pick up on your first point about Glyndŵr University, I will let Judith talk in detail about this, but certainly, as I said before, the programme is promoted broadly and equally. In terms of response and uptake, we are not directive in terms of how we promote to certain organisations, although we are looking at those institutions and universities that have slightly lower response rates. That may be one of them that we are looking at. I will get Judith to talk about that a little bit in a moment.

[110] On Comenius, the drop in the number of applications funded from 2009 to 2010 from 62 to 39, which you noted, is disappointing, but there are a number of reasons for that. Bill, do you want to talk in a bit more detail about the online application process?

[111] **Mr Burson:** I would say a prohibitive factor that may have caused the drop would be the fact that there has been a change to an online application form that is quite difficult for schools to access because they will have information technology restrictions about the kinds of programmes that they can download. For example, it needs a certain version of Adobe to make the form work, which could be prohibitive.

[112] **Eleanor Burnham:** Could you not ensure that you have a simplified system that can be accessed by the said establishments?

[113] **Mr Burson:** We do not, of course, publish the application forms ourselves. That is done centrally within Europe.

[114] **Eleanor Burnham:** Of course.

[115] **Mr Burson:** So, we can influence, but we cannot dictate how the forms are created. You may be able to correct me if I am wrong, but I think that the form can be used to work across a number of programmes other than those like Comenius, such as the ones that might apply to larger institutions as well, where they may have a specific grant office. As the form does appear to have become a bit more complicated in some respects, that might be prohibitive to teachers filling it in.

[116] **Eleanor Burnham:** As an agency, is it not your duty to ensure that there is sufficient help or support to overcome these difficulties?

10.10 a.m.

[117] **Mr Burson:** Yes. We have dedicated support staff to help people. We have an enquiry central inbox and we are obviously on the end of the phone and directly contactable

as individuals to help with application questions. Annually, we do application seminars. We allow people to come in to spend time running through their application. So, we offer a lot of support, but I feel that this year was perhaps a year when the level of intensity in putting the application form in became a bit more strenuous than perhaps people could manage.

[118] **Ms Matthews:** We would hope to see that the application form becomes more familiar to people as things progress. We have had a number of staff who have been on helplines giving advice on how to best fill in the form and work with the form. I think that the teething problems of that will ease out and we will start to see an increase again in the programme, but it has been a bit of a hitch in the programme.

[119] **Eleanor Burnham:** Is it possible, Chair, to feed back to Europe to say that their forms are so complicated that no-one is able to access them?

[120] **Jeff Cuthbert:** We should talk to the Welsh European Funding Office about that problem.

[121] **Eleanor Burnham:** Yes, perhaps we should talk to WEFO.

[122] **Jeff Cuthbert:** I think that that is an observation rather than a question. I will take a final brief supplementary from Rhodri Glyn.

[123] **Rhodri Glyn Thomas:** O ran y **Rhodri Glyn Thomas:** Of the projects prosiectau sydd wedi'u gweithredu yng implemented in Wales, are any seen as good Nghymru, a oes unrhyw un yn cael ei weld practice or best practice in Europe? fel arfer da neu arfer gorau yn Ewrop?

[124] **Ms Matthews:** Could you repeat the question? I just got half of it, I am afraid, in the translation.

[125] **Rhodri Glyn Thomas:** I was just asking whether any of the projects in Wales are seen as good or best practice throughout Europe.

[126] **Ms Matthews:** In terms of the projects that are listed here?

[127] **Rhodri Glyn Thomas:** Yes.

[128] **Ms Matthews:** I think that Erasmus is seen as an excellent project here. Outside of lifelong learning, we also do projects in the arts spectrum, where we work with Wales Arts International; we are receiving some European Union money for that, and there are also a couple of best practice examples there. Within this, I think that Erasmus has great impact. If you read some of the case studies demonstrated at the back of the paper, students will say that it really makes a change to the development of their skills, their edge and competitiveness in terms of future employment within the European environment, and it becomes a kind of life-changing opportunity for them. So, I think that the Erasmus programme certainly is successful and it has impact.

[129] As alluded to by Judith, we need to look at how we target specifically those institutions that are not picking up on the opportunity as broadly as they might want to, and also, in our marketing, really push the impact that these programmes can have much more successfully. The programme has a very focused promotional edge to it and it is meeting a lot of those key universities, but it could have more success if we were able to target it more broadly. However, that is a successful programme.

[130] Among the others, eTwinning, which is the online partner finding and collaboration

site, is a very good example of a programme that is really a tool to bring students together from all over Europe. When they do not have an opportunity to meet, they can do that through an online portal, and that has proved to be incredibly successful.

[131] **Bill**, do you want to say anything more about Comenius or eTwinning?

[132] **Mr Burson**: In relation to best practice, some of the examples of how we have amended the programme within the UK and then specifically Wales to suit some of the needs of teachers have been observed as best practice. The primary teacher project, for example, which is listed in the paper here, is a project on which we have taken an outline from the English example and taken forward with a very Welsh perspective. The project aim is to train teachers to teach modern foreign languages to primary school students at key stage 2. We work collaboratively with CILT to provide training in the UK. We then find host schools and families for the teachers to work for a second week overseas, so they develop their cultural and linguistic knowledge. We also have contribution funding from the Department for Children, Education, Lifelong Learning and Skills for that as well to cover the costs of teachers being away for the overseas week. That is a good example of where we have merged funding and targeted our efforts, really, towards our audience.

[133] In addition to that, one things listed here in terms of good practice would be the example where we have sent teachers—I apologise, I forget from exactly which constituency in north Wales—to Germany to look at the forest schools and the outdoor learning methodology. That was an example where they have used the European grant funds well to look at how a system of education works and is implemented, taken their learning and applied it in their own institutions when they have come back to Wales. So, those schools have basically observed a way of teaching and a methodology, learnt what they need to know about it, gathered all the information and applied it to their own institution. That was a good example, I think.

[134] **Jeff Cuthbert**: Thank you. I am going to draw it to a close, but I am conscious, Sebastian, that you have not had an opportunity to say anything. Is there anything briefly that you might like to say to the committee about your project?

[135] **Mr Graca da Silva**: Yes. You had a talk this morning about Youth on the Move, which is going to be the progression of Youth in Action—that project has changed titles over the years to fit into the most current actions. I know that Youth on the Move is going to be focusing on employability.

[136] One of the actions that I want to bring to the attention of the committee here is European voluntary service. In terms of good practice across the programme, this is an excellent action. It gives young people the opportunity to volunteer overseas, either in Europe or in the border regions such as the Caucasus, Russia and north Africa, for up to a year. There are also opportunities for short-term volunteering. I believe that you have spoken about NEETs earlier this morning. NEETs will be given the opportunity to volunteer in a country for two weeks as a minimum period and have full support during that time. The success rate of engaging them into employment afterwards is phenomenal. It is a really great opportunity with a great success rate in terms of how they have transitioned as a result.

[137] Some really great organisations here in Wales have done a lot of work to give young people that opportunity and bring in young people from other European countries. There was a great programme that brought young people to work in Merthyr Tydfil and support the youth service to increase their positive perception of European citizens. I really want to commend that programme. If you get an opportunity to look at it, I think that you will enjoy it a lot.

[138] **Jeff Cuthbert:** Thank you. I am not going to re-open the questioning, but I thought that I would give you the opportunity to make those few points.

[139] Thank you, Rebecca, Judith, Bill and Sebastian, for your contributions. You will be sent a copy of the draft transcript for you to check for accuracy before we publish it. Thank you.

10.17 a.m.

Blaenoriaethau ar gyfer Llywyddiaeth Gwlad Belg yr Undeb Ewropeaidd The Priorities of the Belgian Presidency of the European Union

[140] **Jeff Cuthbert:** We are slightly ahead of schedule. Just by way of background, it is a regular practice of ours to receive an update on the priorities of each EU presidency from its ambassador in the UK. Belgium is a part of the presidency trio of Spain, Belgium and Hungary, and the committee previously heard from the Spanish ambassador on 9 February. Today is an opportunity to hear about progress with the priorities of the Belgian presidency since it took over from Spain in July.

[141] I welcome His Excellency, Mr Johan Verbeke—I trust that I am pronouncing your name correctly—who is the Belgian ambassador to the UK. I invite you, Ambassador, to make some introductory remarks and then I shall turn to Members for questions.

[142] **His Excellency, Mr Johan Verbeke:** Thank you, Chair and members of the committee. I am pleased to be here in Cardiff today to brief you on the presidency programme but also, perhaps, more usefully on the progress that we have been making until now and what is still ahead for the second part of this presidential semester.

[143] I will perhaps start with some more general remarks, which give an idea about the context and the spirit in which we have tackled this presidency. For Belgium, this is the twelfth time that we are presiding over the European Union. We do this today, as we have always done, to be at the service of the union. We will go for a pragmatic, no-nonsense, results-oriented presidency. We really care about the substantive business and not so much about the theatricals of a presidency.

10.20 a.m.

[144] You know that the Treaty of Lisbon entered into force on 1 December last year. It has changed quite a lot the nature of a rotating presidency, as we call it today. Since the entry into force of the treaty, we have some institutional innovations, two of which I would like to mention specifically. The first is that, as of now, we have a permanent president of the European Council and he happens to be Belgian: Mr van Rompuy. Second, we have a permanent special representative for everything related to foreign affairs, defence and security matters, and that is Mrs Ashton.

[145] The reason I mention these two permanent structures is that they affect the role of the rotating presidency. At the time, the rotating presidency, every six months, took over the bulk of running all practical matters for the European Union, together with the Commission and the Parliament. Today, many of those responsibilities have been delegated to the permanent president of the European Council and Mrs Ashton. I say that most of them have been delegated, but we are still in the transition phase. One of the objectives that we took on at the beginning of our presidency was to ensure that the institutional transition would be a success. That is to consolidate the two institutions to the maximum and to empower the permanent president and Mrs Ashton so that, as of the beginning of next year, they can fully exercise their powers. I just wanted to mention that.

[146] The rotating presidency still has a lot to do in this transitional stage. Since I am here now in one of the honourable committees of this honourable Assembly, I will stress that one of the novelties of Lisbon is that the European Parliament has increased legislative powers. For all practical matters, 95 per cent of the legislative activities are now through co-decision. That means both council and European Parliament have to agree on those legislative proposals. You need the mechanism to make sure that both are on the same book, and that is where the rotating presidency still has a major role to play. I can sincerely tell you that, if we make a difference in this presidency, it is essentially through that interaction with the European Parliament, because we Belgians have a strong culture of making compromises, because we have our own history of making compromises to survive as a nation state. So, that has been quite helpful.

[147] Now, I will say a few things on substance. The major objective here, as you will have seen in the background documentation that you have been forwarded, is the tackling of the economic crisis, the economic recovery and so on. On this, I would make a couple of distinctions. The first is the European Union 2020 programme, and you are fully familiar with it. You are well familiar with the Lisbon strategy, and you are familiar with the new strategy. You have seen the decision as regards the five objectives taken at the European Council in June. Now we are in the stage of starting to implement them. We are awaiting, over the next few weeks, the national reform programmes, which fill out the strategy at the national level. From there on, this will start to be implemented throughout the next 10 years. So, that is more of a burden, I would say, for the next presidency than for Belgium's, but the European Union 2020 strategy is very important.

[148] Let me specifically mention the research and development point, for which Belgium specifically is thankful. Whatever we can do to contribute to that objective in the few weeks that remain, we will do it.

[149] The second point that I want to stress is the economic governance question. We were faced, together with all the other member states, with a very serious financial and economic crisis. As a result, in the March European Council summit, it was decided that the new permanent president would set up a taskforce, which is called the van Rompuy taskforce, to tackle the underlying questions about the budgetary deficits that we have all been accumulating for the past few years. They have been progressing a lot. They have already had seven meetings. Mr van Rompuy is expected to report to the council on 28 or 29 October, and, at that stage, his work may be finished. I say 'may be' because some member states, such as Germany, insist that he should continue to work.

[150] What has he been doing, essentially? At the beginning, he was looking at budgetary imbalances, because that is basically what the crisis was about in the context of what we call the growth and stability tax, which is the code of conduct for making sure that we have economic stability, particularly in the eurozone. As the discussions went on, they identified quite early that underlying the budgetary deficits were problems to be tackled such as competitiveness. They are now looking clearly at competitiveness. They will start working on the identification of indicators showing the relative competitiveness of member states within the union so that it can be tackled. One reason we got this major problem, particularly in the eurozone, was the underlying structural imbalances in the economies of the member states. The taskforce is also looking at elements such as debt levels, public and private.

[151] The point that I am making is that this is an exercise that goes to the very heart of how an economy has been run and that really wants to tackle those problems, which then will be passed on to the Commission, which will then come out with Commission legislative proposals. As you know, the Commission, even with the new Lisbon treaty, continues to have the monopoly over legislative proposals, and we are looking forward to different suggestions

and proposals being made. As a matter of fact, last week, the Commission made a first series of proposals, which are totally in line and compatible with the work of the taskforce.

[152] On the economic side, I will also mention one specific point, and that is the so-called European patent. The European patent has been around with us for decades now, as we also tried to work on that the last time we had the presidency in 1991. The European patent is very important, particularly for small and medium-sized businesses, because filing a patent is, at this stage, extremely expensive, and the result is that innovative research and development-related activities are being inhibited. The idea is to arrive at a cost-effective patent registration system. A major cost factor in that process is the language factor. As you know, we now have 27 members with 23 or 24, I am not quite sure, different languages, and you cannot allow people to file a patent in their language.

[153] The language regime is a critical element, because it is very sensitive. As you may well imagine, particularly here in Wales, language is sensitive for the national identity of the member states. We are working very hard on that, and I mention that specifically because, last Friday, there was an informal meeting with the Minister for the economy to see whether we could get there. Very soon, on 11 October, there will be a formal meeting, and we hope that we can get through that, but I must sincerely tell you that we are not there yet. Two member states in particular, Spain and Italy, continue to have major problems with this issue.

[154] I will browse over a couple of other things, because there is so much to be said. Much of the economic work that we do is directly linked to the G20 work. In that respect, let me tell you that there is now a good understanding between both presidents of the Commission, Mr Barroso and Mr van Rompuy, about preparing the G8 and the G20 meetings, but a lot of what we do, including on climate, for instance, is also being discussed at the G20.

10.30 a.m.

[155] Briefly, on climate change, our duty, essentially, is to make sure that the Cancun meeting in December is a success. A success does not mean that we will get the final act. We all know that the ambition should be that, at the Conference of the Parties, COP 17, next year in Johannesburg we get a final deal, but the Cancun meeting should be an important stepping stone in getting to Johannesburg on the issues of climate change, working on the Copenhagen declaration of last year.

[156] Another important topic in our presidency, which will be particularly paramount in December, is the enlargement of the union. Again, I will wrap up a long story in a few sentences. There are three countries whose accession we have to look at carefully. The first, and least problematic, is Iceland. You may recall that in July there was a council meeting where we formally decided that we should open, and de facto did open, the negotiation process with Iceland. That is going to be a rather smooth process except, as you know, for one issue which is a financial issue relating to banking relationships between the UK and the Netherlands on the one hand, and Iceland. For the rest, this is a clean story, although we will all have to be watchful. In particular, in the UK, Scotland and Wales will have to be watching because of their fisheries interest, which is going to be, no doubt, one of the most delicate chapters in the negotiation process. For the rest, this is going to be a smooth accession.

[157] The second that I would like to mention is the Balkans—more specifically, Croatia. We are almost there. We never had the ambition to close this process by this year because the outstanding issues do not allow us to do it, but we are confident that the accession negotiations for Croatia will be closed perhaps in late spring or early summer next year. Our duty is to ensure that the progress and the momentum is maintained.

[158] The last country I would like to mention specifically is Turkey. Turkey is quite a

challenge, I would say. I do not need to tell you that Turkey is a geopolitically important country, so the stakes are very high. However, at this stage we have not been able to make a lot of progress. We would hope that we can, under the Belgian presidency, open a new chapter with a view to politically signalling to the country that we are continuing and the ball is still rolling. Nothing would be more damaging for the process than to stand still. So, we hope that we can open a chapter, which would be chapter 8 on competition, during our presidency and that in December we can therefore register that some further—not major—progress has been made on the route of opening Europe further.

[159] There are many other things. Let me, before closing, mention a couple of things that we are already in a position to close. I have made a little document that will be distributed to you. Again, as I told you, the relationship with the Parliament is very important. You may remember that the SWIFT agreement was a very contentious issue; the Parliament had rejected that under the Spanish presidency. We have taken that up and we have been successful, and the SWIFT regulation is now a fact. I would also like to mention the European External Action Service. At the beginning of our presidency, we secured the basic decision that the service would be set up. There are still some modalities regarding the statute for the personnel of the European External Action Service and the financial regulation that has to be decided with the Parliament, but that is for later. What is important is that the basic decision is there and our objective is that, as of 1 December, the action service will be running, because you know that Mrs Ashton, until now, has been virtually working without instruments, without people assisting.

[160] As I mentioned, the Iceland accession negotiations have opened. Perhaps I should have mentioned financial regulation more explicitly. Quite a lot of work has been done in the field of financial regulation, which is of course also linked directly to the heavy crisis that we went through. We have succeeded already in having one major instrument, which is called supervision: supervision of the security markets, of the banking institutions and insurance, with above that a systemic risk assessment.

[161] On external relations, we were successful in finishing the negotiation on a free trade agreement with South Korea. That may appear to be very far down your list of concerns, but I mention it because it is an entirely new kind of free trade agreement. It is very modern. We have never had that before. It is worth billions of euros for the European Union, so all of us, including Wales, will be benefiting from that agreement. Now we look for similar agreements with Malaysia and China very soon.

[162] On Ecofin—that is, the Economic and Financial Council—we made progress in terms of budgetary discipline, if I may say so, by introducing what we call the European semester, which means that all member states will submit their national budget for scrutiny—not approval, of course, as that remains a sovereign national competence—by the European Union, both the Commission and council, so that we can perhaps detect at an early stage certain shortcomings.

[163] There are some other things but I will skip these because I understand that you may have some questions, Chair. Thank you very much for your attention.

[164] **Jeff Cuthbert:** Thank you very much, Mr Ambassador, for that very detailed and comprehensive introduction. I am going to turn to Members, but at the moment I am going to abuse my position as Chair to ask the first question. It is about the continuation of structural funds. That is very important to Wales; the whole of Wales benefits from either convergence or competitiveness funding. While it is far too early to say yet whether we will qualify for a further round, we are concerned, especially in the light of the economic situation, about whether there will be further funds to apply for. There has been talk of the repatriation of funds. We understand that that is not going forward but we do not have guarantees on this.

What is the view of the Belgian presidency on the continuation of structural funds?

[165] **HE Mr Verbeke:** Thank you, Chair. I think that you are quite right to raise this issue, as it is important for Wales and for many regions in the European Union. The Belgian presidency will not be in a position to make major advances on this very topic. As you know, the ball always starts rolling in European business with a paper, document, or legislative initiative by the Commission. We expect this Commission paper to be issued in November, close to the end of our presidency. For all practical purposes, the presidency ends with the European Council, which is around 16-17 December. Only at that stage will the Commission come out with its paper—in November—which does not really leave us much time under the Belgian presidency to go into that and study that. This being said, we have already planned a first informal meeting on 22 November—that is, very shortly after the document will be published—in order to have a first informal discussion among Ministers to discuss this document. From there, we will have to carry it on to the next presidency, which is Hungary and then Poland.

[166] You are right to be, perhaps not sceptical, but vigilant on this issue because it will come at a time that we, together with all the other member states of the union, will have to address the so-called financial perspectives—that is the budget review element—which will set the tone of the financial expenditures for the European Union for the next seven-year period, 2013-2020.

10.40 a.m.

[167] We are, of course, living in a global context where most member states make tremendous budgetary efforts. Your country is, I think, a paramount example of what major efforts have to be undertaken in order to get your budget clean again. Similar exercises are going around all of Europe.

[168] The point I am making is that as national member states are making major sacrifices we may expect that the member states will request that the European Union makes a similar effort, and the first indications that we have had during our European presidency in informal meetings of the ambassadors on the Permanent Representatives Committee, COREPER, go in that direction. This will surely be a tough debate, where there will be a discrepancy between the position of the European Council on the one hand and that of the European Parliament on the other. The council will be disciplined and will ask the European Union to make the same effort as member states are making nationally. I am not saying that the European Parliament will not be disciplined, but it will want to take care of the interest of the European Union as such. For instance, we have just agreed, in June, on the European Union 2020 strategy. The European Parliament says, 'Well, look, you now have a strong instrument—stronger than the old Lisbon instrument—if you want that politically, you also need to mobilise the financial means for doing that'. So, that is more or less the mindset of the European Parliament. Where that will end we do not know—it will certainly not be at that stage. Perhaps we will not know exactly where the balance will come even in the first half of next year. However, there will be strain.

[169] There will be strain on the budget and the question then is whether cohesion funds and structural funds will be affected. I am now on uncertain ground and, therefore, I will ensure that my remarks are prudent. I would not be tempted to say that ipso facto the structural funds and cohesion funds will be the victims of this exercise. Many countries are looking at the budget in terms of reallocating certain items within the global package, but not just to cut off certain items. For instance, it is well known that some countries deem it necessary to review the common agricultural policy. Some, therefore, may be pushing for revisiting certain items of that policy with the benefit of maintaining the structural funds. So, the jury is still out, but we fully understand your concerns of course.

[170] **Eleanor Burnham:** Mae fy nghwestiwn yn dilyn cwestiynau'r Cadeirydd ar y polisi cydlyniant. Sylweddolaf eich bod chi a'ch Gweinidog, Rudy Demotte, wedi awgrymu eich bod yn ffafrio ystyried ffactorau newydd megis diweithdra, yn ogystal â chynyrch mewnwladol crynswth, o ran darparu arian Ewropeaidd. A ydych yn gobeithio gwneud y newid hwn cyn i chi orffen eich llywyddiaeth? Beth yn union yr ydych yn bwriadu ei wneud ynglŷn â'r banciau a llywodraethu economaidd yn gyffredinol, o ystyried yr argyfwng mawr ariannol ac economaidd sydd gennym ar hyn o bryd?

Eleanor Burnham: My question follows those of the Chair on cohesion policy. I realise that you and your Minister, Rudy Demotte, have suggested that you favour consideration of new factors such as unemployment, as well as gross domestic product, when distributing European funding. Do you hope to change that before the end of your presidency? What exactly do you intend to do about the banks and economic governance in general, considering the great financial and economic emergency that we are currently facing?

[171] **HE Mr Verbeke:** On your first question, as Minister Demotte has signalled in his recent declaration on the setting up of the programme, unemployment is vitally important to us, as are the social policies generally. You may have seen in the document that we distributed to you—I did that somewhat differently because we are now already three months into the presidency—that, formally, we present our presidency in terms of five major objectives, and the fifth one is social policy. That is why, in July, when the prime ministers and presidents of our member states were discussing the European Union 2020 strategy, we were stressing the fifth target a lot, which you know is unemployment and youth employment. For us, this is very important. That is why I mentioned the informal meeting on 22 November because that is where, for the first time, we will be able as a Belgian seat and a Belgian presidency to bring the social dimension into that debate on the future of cohesion and structural funds.

[172] I mention that not in terms of Belgium having specific initiatives—there is nothing specific in the pipeline—but our concern when we set up the presidency programme that, as there was so much focus on the economic crisis, and particularly on economic and financial regulation, there was a tendency among member states to forget a little bit about the underlying social dimension. It is a kind of warning signal: do not forget that there is a social dimension to everything that we do. Whenever we regulate markets, whenever we intervene in markets, let us not forget that there are people who may be socially marginalised in that operation. That is the point we will be making. I can tell you also that the Commission document on the future of structural funds will be looked at during the informal meeting and, again, at the formal general affairs council meeting—the last one that we will have this year, on 13 December.

[173] On financial regulation and markets and so on, I will mention only the financial supervision package with the three authorities and the systemic board all over the union because that deal has already been agreed. However, I would like to report to you that a lot of work is going on in those dialogues with the Parliament. Again, that shows how much the rotating presidency's added value today is essentially in being an honest broker between the European Council and the Parliament. We are working very hard on the alternative investments and managers' directive, which basically bears down on hedge funds and private equity firms. At some stage we were rather optimistic and, in fact, a lot of progress has been made after this was brought forward under the Spanish presidency. One member state, France, continues to have some questions regarding this and we are trying to find out what exactly the rationale is because we do not think that the rationale is really that convincing.

[174] On financial markets and economic governance, there is the package from the

Commission of last week, the European semester, the competitiveness question, the debt issue, which will be looked at, and the discipline question with possible sanctions. On this, I want to be prudent because this is a very contentious issue politically as to whether certain sanctions could be imposed on member states that do not comply with the discipline that is being agreed upon as far as fiscal policies are concerned. There are basically two classes of sanctions: political sanctions that would suspend voting rights temporarily—I do not think that we are there and there is a lot of resistance to that, for good reason—and more tangible sanctions that consist of fines for member states that do not comply. Then again, there is a different system: a sum is to be deposited in a bank account that receives interest, of course, and as soon as a country complies with the budgetary discipline rules, it gets the money back with the interest. Another sanction regime that there is interest in running is that they will get it back, but, as a penalty, it will be without the interest. So, a lot of ideas are currently being explored.

10.50 a.m.

[175] There is also a reverse majority rule. That is, when the Commission proposes a certain financial sanction to be taken with a member state, it would not need the majority of the member states to be in favour of the Commission proposal. It would be the reverse rule: it would be adopted unless a minority of member states object.

[176] So, there is a lot of innovative thinking. Having attended European issues for many years and having sat in the permanent representation to the European Union for many years as well, I have never seen such drastic innovative thinking going on in the European Union than there is currently. I am looking at my Commission colleague; I am sure he would agree with that.

[177] So, there was a wake-up call and a good wake-up call for Europe.

[178] **Nick Bourne:** Thank you very much indeed for the presentation. I have a question about Cancun, which clearly is of great significance for us. The UK is sending a delegation and Wales is represented in that delegation. What is the Belgian presidency hoping for from this convention?

[179] **HE Mr Verbeke:** Again, this is a delicate issue, but that is what we are being paid for as a presidency, to ensure that we live up to our responsibilities. Cancun is quite a challenge and that is why we have been trying, as of the beginning of the presidency, to set it in the proper context. You certainly will remember that after Copenhagen there was a deep anticlimax in the European Union as regards the objective of climate change. Therefore, the lessons to be learned from Copenhagen were twofold. First, do not create artificial expectations that you know beforehand you will never meet, because that has a negative impact on the dynamics of your negotiation.

[180] Secondly, however, and it is almost a reverse of what I just said, do not condemn Copenhagen as being just good for the dustbin. On the contrary, draw out of Copenhagen whatever is a positive contribution to the very large and difficult debate on climate change. Capitalise on those strengths, which are not really that bad, because if you look at the Copenhagen declaration proper, you will see there is a lot on which you can work. So, capitalise on that, bring that forward to Cancun and try to add some value to that package. That is what I would call the sober, but perhaps also the most effective, approach that you can have as regards Cancun. We want Cancun to be a success in terms of keeping the momentum, adding some value to Copenhagen and setting the stage for a productive 2011 that then will have to lead to Johannesburg.

[181] Our Minister in charge of the matter has been setting up a lot of informal meetings

with her colleagues and this has worked rather well, I would say. It will be taken up again in the G20 next month, which is again an important part of the game, and we hope to get the result that I mentioned, that is, to set the stage for a productive meeting next year in Johannesburg.

[182] **Jeff Cuthbert:** Thank you very much. I am not aware that any other Members wish to ask questions so thank you indeed, Your Excellency, for coming to meet us today. It has been a most interesting discussion and I thank you for your introductory remarks and your responses to our questions.

[183] You will be sent a copy of our draft transcript for you to check for accuracy before it is published. Thank you very much indeed.

[184] **HE Mr Verbeke:** Thank you, Mr Chair. Thank you, members of the committee.

[185] **Jeff Cuthbert:** I ask Members to note the minutes of the previous meeting. It just falls on me before we close to say that our next formal meeting will be on Tuesday, 19 October. Thank you very much.

Daeth y cyfarfod i ben am 10.56 a.m.
The meeting ended at 10.56 a.m.