



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

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

**Dydd Mawrth, 21 Medi 2010  
Tuesday, 21 September 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**

Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jeff Cuthbert	Llafur Labour
Rhodri Morgan	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

**Eraill yn bresennol**  
**Others in attendance**

Christine Chapman	Aelod Cynulliad, Llafur Assembly Member, Labour
Syr/Sir Kim Darroch	Cynrychiolydd Parhaol y Deyrnas Unedig i'r Undeb Ewropeaidd The United Kingdom's Permanent Representative to the European Union
Jill Evans ASE/MEP	Plaid Cymru— y Gwyrddion/Cynghrair Rhydd Ewrop The Party of Wales—Green/European Free Alliance
Tim Render	Cynrychiolaeth Parhaol y Deyrnas Unedig i'r Undeb Ewropeaidd The United Kingdom's Permanent Representation to the European Union
Derek Vaughan ASE/MEP	Llafur—Cynghrair Blaengar y Sosialwyr a'r Democratiaid Labour—Progressive Alliance of Socialists and Democrats
Iwan Williams	Swyddog Polisi a Chyfathrebu Ewropeaidd, Swyddfa Ewropeaidd Cymdeithas Llywodraeth Leol Cymru European Policy and Communications Officer, the Welsh Local Government Association European Office

**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

*Dechreuodd y cyfarfod am 9.17 a.m.*  
*The meeting began at 9.17 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon**  
**Introduction, Apologies and Substitutions**

[1] **Rhodri Morgan:** Croeso cynnes i'r **Rhodri Morgan:** A warm welcome to

Aelodau, y swyddogion, ac i bawb sydd yn y galeri cyhoeddus i'r cyfarfod hwn o'r Pwyllgor Materion Ewropeaidd ac Allanol. Members, officials, and to everyone in the public gallery to this meeting of the Committee on European and External Affairs.

[2] I remind everyone that headsets are available to hear the translation and for sound amplification. For those who are hard of hearing—or *trwm eich clyw*—the amplification is on channel 0 and the translation is on channel 1. Everyone, including the Chair, should ensure that all mobile phones and other electronic devices are switched off completely, as they can interfere with the sound equipment.

[3] In the event of an emergency, an alarm will sound, and ushers will direct everyone to the nearest safe exit and assembly point. I have been notified that Nick Bourne is unable to be present this morning. I wish to welcome Eleanor Burnham to her first meeting of the Committee on European and External Affairs. She is taking over from Mike German, now Lord German since his elevation—if that is the correct expression—to their Lordships' House in Westminster. I also welcome to this morning's meeting Gregg from the Assembly's European Office in Brussels.

[4] I invite Members to make any relevant declarations of interest under Standing Order No. 31.6. Are there any? I do not see any, so we will proceed.

9.20 a.m.

[5] As this is the committee's first meeting following the summer recess, I will run through a few of the activities that have taken place that I am aware of. There was a mock council of the European Union for Welsh school pupils—including one Breton school, from Landerneau—in Siambr Hywel last Tuesday. There were 27 Welsh schools taking part, and they did extremely well at representing the United Kingdom, the Commission and the member states in a mock summit meeting. It was lively. There was a formal part of the meeting, which was—as is the case with real council meetings—boring, but once you got to the real discussion, you could see everyone suddenly sparking into life. The students were genuinely participating, and it was an object lesson in how these meetings work.

[6] I also wish to mention the Wales Governance Centre at Cardiff University, which held its annual conference on the theme 'A question of subsidiarity'. I spoke there last Friday afternoon, along with Dr Leonardi from Trento, given that the President of Trento holds the presidency of CALRE, the Conference of European Regional Legislative Assemblies. The key question was whether any regional tier of government in Europe has yet used the subsidiarity provisions of the Treaty of Lisbon, which came into force eight, nine or 10 months ago. None of them had; there was a bit of a fake example from Germany that was offered apologetically, but as far as we know, as yet, the motor car has not been taken out of the garage by anyone. People understand how the double subsidiarity provision works in theory, but we do not know how it works in practice because there has not yet been a single example, as far as we know, of a national Parliament consulting a regional Parliament on an issue of regional-tier government primacy of interest. It will happen eventually, but no-one yet knows of an example.

[7] Yesterday, I participated in one of a series of open days held by the Welsh Local Government Association. As it was in Powys, the main theme was the future of competitiveness, and it was interesting to hear the representative from the Directorate-General for Regional Policy, Peter Berkowitz—a civil servant of the European Commission—talking about the future of cohesion policy under the twin strands of convergence and competitiveness, and discussing whether they will survive the budget review. The general view was that they probably will, although it is understood that the gang of four—that is, the

United Kingdom, the Netherlands, Sweden and Denmark, which have always combined on this issue, under all sorts of Governments—would like to see a significant shift, possibly involving the end of competitiveness funding, but they are not getting any support from other member states. So, we will have to see whether they jack it in eventually, by the time the rubber hits the road. Sorry for using that Americanism.

[8] The other thing is that, after a long gap since the election, during which there was no European Scrutiny Committee in the House of Commons, Bill Cash has now been appointed its Chair and has taken up his post. That happened in the summer, during this funny, pre-season friendlies fortnight when the House of Commons was meeting before it stopped for the conference season. Obviously, there was no chairman from May till late September, which poses a question about the Treaty of Lisbon subsidiarity provision, because if a case had arisen in May, June, July, August or the first three weeks of September, what would have happened? If a national Parliament had needed to consult us on a matter of regional subsidiarity, there would have been no European Scrutiny Committee at the time. It is not just an issue of what happens during summer recesses; it is what happens during the long gap after a general election, before the members of scrutiny committees are appointed. Even though the beginning of Parliament has been brought forward so that we had that fortnight before the conference season, there is still a four-month gap: pretty much the whole of May, June, July and August as well as three weeks, probably, in September.

[9] The final item from me is just to note for the public record that this committee's report on the European Year for Combating Poverty and Social Exclusion will be debated in the Assembly tomorrow. Does anyone want to respond to that?

[10] **Rhodri Glyn Thomas:** Yr wyf yn rhyfeddu at y ffaith bod Bill Cash wedi'i wneud yn Gadeirydd y pwyllgor craffu. A oes unrhyw arwddocâd i'r ffaith bod archelyn i'r Undeb Ewropeaidd bellach yn Gadeirydd ar y pwyllgor craffu yn Nhŷ'r Cyffredin?

**Rhodri Glyn Thomas:** I am amazed at the fact that Bill Cash has been made Chair of the scrutiny committee. Is there any significance to the fact that the arch-enemy of the European Union is now Chair of the House of Commons scrutiny committee?

[11] **Rhodri Morgan:** Rhaid cofio nad dewis y chwipiau yw'r Cadeiryddion hyn. Ar ôl y newidiadau a wnaed, mae bellach yn fater o gynnal etholiad, ac ni fyddwn yn meddwl y byddai neb arall wedi sefyll yn ei erbyn. Weithiau, bydd pleidiau gwahanol yn taro bargaen o ran dewis cadeirydd, ond nid yw'n fater i'r Llywodraeth na'r chwipiau ddweud pwy sy'n Gadeirydd ar beth neu eu bod yn mynd i roi'r gadeiryddiaeth hon a hon i'r gwrthbleidiau ac yn y blaen. Mae yn awr yn fwy o broses fargeinio ymhlith aelodau'r meinciau cefn. Felly, ni fyddwn yn dychmygu bod neb arall wedi cystadlu am y swydd. A oes gan unrhyw un arall syniad pam y dewiswyd Bill Cash?

**Rhodri Morgan:** You must remember that the choice of these Chairs is no longer that of the whips. Following the changes that were made, it is now subject to an election and I would not think that anyone else would stand against him. Sometimes, different parties will strike bargains to choose a chairman, but it is not a matter for the Government or whips to say who will chair what or that they will give such and such a chairmanship to the opposition parties and so on. It is now more of a bargaining process among backbench members. So, I would not think that anyone else competed for the position. Does anyone else have any ideas why Bill Cash was chosen?

[12] **Eleanor Burnham:** Na, ond yr wyf yn edrych ymlaen at amser diddorol—gobeithio y bydd yn bositif.

**Eleanor Burnham:** No, but I look forward to an interesting time—hopefully, it will be positive.

[13] **Rhodri Morgan:** Ni fydd yn bositif, ond bydd yn danbaid ac yn ddiddorol. O

**Rhodri Morgan:** It will not be positive, but it will be contentious and interesting. Given

ystyried ei oedran, fel llewpart, ni fydd yn newid ei smotiau yn awr. his age, like a leopard, he will not change his spots now.

[14] I see that there are no other comments, so we will move on to item 2.

9.26 a.m.

**Papur Cwmpasu ar gyfer Ymchwiliad: Adolygiad o Gyfranogiad Rhanddeiliaid  
Cymru yn Rhaglenni Cyllido'r UE**  
**Scoping Paper for Inquiry: Review of Participation of Welsh Stakeholders in EU  
Funding Programmes**

[15] **Rhodri Morgan:** This is for the review of the participation of Welsh stakeholders in EU funding programmes. There is paper 1 and paper 1a—the cover paper—with actions for the committee. Gregg, do you want to pick up on any points in the paper?

[16] **Mr Jones:** The main point, from my perspective, is the scope of the inquiry and whether the committee wants to look at the three broad framework programmes suggested or would prefer to narrow it down or even broaden it, because there are other European programmes that we have not included in the scoping paper. That was for pragmatic reasons: given the time available, we felt that we could cover only so much ground. That is my only comment.

[17] **Eleanor Burnham:** A minnau'n rhywun hollol newydd i'r pwyllgor, maddeuwch imi am ofyn cwestiynau braidd yn sylfaenol. A fyddai'n bosibl cynnwys awdurdodau lleol, oherwydd tybiaf eu bod yn allweddol yn y mater o addysg a symud ymlaen â materion o'r fath?  
**Eleanor Burnham:** As someone who is completely new to the committee, forgive me for asking rather basic questions. Would it be possible to include local authorities, because I assume that they are essential to the matter of education and of progressing such issues?

[20] **Rhodri Morgan:** Nid wyf yn siŵr— **Rhodri Morgan:** I am not sure—

[21] **Eleanor Burnham:** Maent yn darparu gwasanaethau addysg. **Eleanor Burnham:** They provide educational services.

[22] **Rhodri Morgan:** Ydyn, ond a ydynt mewn sefyllfa i geisio am grantiau ar yr ochr addysgol? Nid yw'n canu cloch i fi o ran sut y byddent yn gwneud hynny. Yr wyf yn siŵr y byddai ganddynt syniadau. **Rhodri Morgan:** They do, but are they in a position to bid for grants on the educational side? It does not ring any bells with me regarding how they would do that. However, I am sure that they would have ideas.

[23] **Eleanor Burnham:** Maent hefyd yn darparu addysg bellach. **Eleanor Burnham:** They also provide further education.

[24] **Rhodri Morgan:** Mae rhai ysgolion yn gwneud hynny. **Rhodri Morgan:** Some schools provide that.

[25] **Eleanor Burnham:** Maent yn gwneud hynny yng ngogledd Cymru. **Eleanor Burnham:** They do that in north Wales.

[26] **Rhodri Morgan:** Iawn. Yr wyf yn hollol agored i syniadau o'r fath. **Rhodri Morgan:** Fine. I am completely open to such ideas.

[27] **Rhodri Glyn Thomas:** Un o'r trafodaethau pwysicaf sy'n digwydd o ran Cymru ar hyn o bryd yw honno am ddyfodol y polisi amaeth cyffredinol a faint o gyllid fydd ar gael ar gyfer y polisi hwnnw. Yr wythnos diwethaf, ymwelodd yr Is-bwyllgor Datblygu Gwledig â Chomisiwn Ewrop, lle cawsom gyfarfod â chadeirydd y pwyllgor amaeth a chyda swyddogion yn y Comisiwn. Cawsom nifer o gyfarfodydd eraill yn ogystal â chwrdd â'r Aelodau o Senedd Ewrop o Gymru. Bydd y drafodaeth ynghylch faint o arian fydd ar gael yn Ewrop ar gyfer unrhyw raglen yn gwbl sylfaenol, a chredaf y dylem gadw llygad barcud ar y datblygiadau hynny. Yr oedd cadeirydd y pwyllgor a swyddogion y comisiynydd amaeth yn hyderus y byddant yn cynnal y gyllideb honno. Wrth gwrs, mae'n gyllideb sylfaenol i Gymru ac i'r economi wledig yng Nghymru.

**Rhodri Glyn Thomas:** One of the most important discussions taking place at present for Wales is that on the future of the common agricultural policy and how much funding will be available for that policy. Last week, the Rural Development Sub-committee visited the European Commission, where we met the chair of the agriculture committee and with officials at the Commission. We had a number of other meetings including with Welsh Members of the European Parliament. The discussion on how much money will be available in Europe for any programme will be fundamental, and we should keep a watchful eye on those developments. The chair of the committee and the agricultural commissioner's officials were confident that they will maintain that budget. Of course, it is a fundamental budget for Wales and for the Welsh rural economy.

9.30 a.m.

[28] **Jeff Cuthbert:** On the point that Rhodri Glyn just made, my understanding is that we agreed that the inquiry that we could be holding would exclude the structural funds programme and rural development programme, which would include CAP. I take the point that Rhodri Glyn is making, but due to the time that we have left and the size of the CAP programme, I would suggest that it is probably a bit too much for us. I think that we ruled it out earlier, in any event. Having read the papers prepared by the Members' research service and by Gregg, I think that those being highlighted are the right ones for us. I was also at the conference yesterday, and in the afternoon I spoke on the work of the programme monitoring committee. Then, during a panel session, I referred to the comments that you had made, Chair, about research and development and the role of higher education. It seems to me that the three areas that have been flagged up here are highly pertinent to our work and to the work of other committees.

[29] **Rhodri Morgan:** The key thing is that, in Wales, we tend to look closely at the potential for the use of, and continued access to, structural funds and their outcomes. We broadly had in mind that this inquiry would consider everything other than structural funds, which, because structural funds are financially so important in Wales, we tend not to look at so closely. It is time that we really did hammer this issue of whether Wales can get a larger share of the money available from what you might loosely call 'unconventional' European sources, which tend to be neglected. That was the broad thrust, was it not? The question then is: does rural development fit into structural funds or is it one of the more neglected areas that we tend to ignore? I must admit that I am a bit unclear on that.

[30] **Rhodri Glyn Thomas:** Y pwynt yr oeddwn yn ei wneud ynglŷn â'r polisi amaethyddol cyffredinol oedd ei fod yn cynnwys dwy elfen, sef piler 1 a philer 2. Mae piler 1 yn cynnwys taliadau uniongyrchol i ffermwyr, ac mae Jeff yn gwbl gywir yn hynny o beth; nid yw hynny'n rhywbeth sy'n dod o fewn cwmpas ein trafodaethau ar y mater hwn. Fodd bynnag,

**Rhodri Glyn Thomas:** The point that I was making about the CAP was that it contains two elements, namely pillar 1 and pillar 2. Pillar 1 includes direct payments to farmers, and Jeff is absolutely correct in that regard; it is not something that falls within the scope of our discussions on this issue. However, pillar 2 involves the rural development policy, and within that you can get match funding from

mae piler 2 yn ymwneud â'r polisi datblygu gwledig, ac o fewn hynny mae modd cael arian cyfatebol o ffynonellau ariannol eraill yn Ewrop. Yn y cyd-destun hwnnw, mae'n bwysig iawn i ni edrych ar beth y gellir ei wneud i wneud y mwyaf o'r arian sy'n dod o dan biler 2 a beth y gellir ei wneud mewn cydweithrediad â ffynonellau ariannol eraill yn Ewrop. Credaf fod y drafodaeth gyffredinol ynglŷn â'r PAC yn rhywbeth y dylem gadw llygaid barcud arno i weld beth sy'n digwydd, ond credaf fod ein diddordeb ni yng nghyd-destun piler 2.

[31] **Rhodri Morgan:** Ond ym mha deulu y mae piler 2 yn gorwedd? A yw yn rhan o deulu cronfeydd strwythurol, ac felly y tu hwnt i'r ymchwiliad hwn, ynteu a yw'n cael ei ystyried yn rhywbeth ar wahân i'r cronfeydd strwythurol? Nid wyf yn gwybod yr ateb.

[32] **Rhodri Glyn Thomas:** Mae ar wahân i'r cronfeydd strwythurol ar hyn o bryd, ond mae rhywfaint o drafodaeth ynglŷn â ble yn union y dylai orwedd yn y dyfodol. Fodd bynnag, mae ar wahân ar hyn o bryd. Mae modd edrych ar y cronfeydd strwythurol fel arian cyfatebol ac mae modd sicrhau cydweithrediad yn y fan honno.

[33] **Rhodri Morgan:** Gofynnaf i Gregg am rai sylwadau. Yr oeddwn yn deall mai'r duedd yn awr oedd ceisio rhoi pedair adran y comisiwn a'r comisiynydd—sef ERDF, ESF ac yn awr yr ochr bysgota ac amaethyddol—dan un faner, sef y teulu cronfeydd strwythurol i bwrpas datblygu. A yw hynny'n golygu bod piler 2 y PAC yn cael ei ystyried yn un o'r cronfeydd strwythurol, er mai rhywbeth i'r dyfodol yw hynny efallai?

[34] It is a theological issue, is it?

[35] **Mr Jones:** Technically, pillar 2 would be part of CAP, because that is what it was originally set up to be. An element of—not necessarily potential for confusion—where the two may be merged together, would be the territorial dimension to rural development. If you think of CAP as being a sectorial policy, rural development is not just restricted to the agriculture sector—it can be used more broadly than that. However, in terms of the management of the fund, it is managed by the Directorate-General for Agriculture and Rural Development. Under commissioners Fischler and Barnier, there was an agreement that the elements that had previously been part of 2000-06 structural funds would be taken out and included just within rural development. There is a debate about whether that needs to be revisited, but the messages that we are getting from the commissioner level is that they do not want to do that at the moment, which would mean that rural development is part

other funding sources in Europe. In that context, it is very important to look at what can be done to maximise the money coming under pillar 2 and what can be done in collaboration with other funding sources in Europe. I think that the general discussion on the CAP is something that we should keep a watchful eye on to see what happens, but I think that we are interested in the context of pillar 2.

**Rhodri Morgan:** But in which family does pillar 2 lie? Is it in the family of structural funds, and therefore beyond the scope of this inquiry, or is it considered something separate to the structural funds? I do not know the answer.

**Rhodri Glyn Thomas:** It is separate to the structural funds at present, but there is some discussion about where exactly it should lie in future. However, it is separate at present. It is possible to look at the structural funds as match funding and it is possible to secure collaboration in that context.

**Rhodri Morgan:** I will ask Gregg for some comments. I understood that the tendency now was to try to put the four sections of the commission and the commissioner—namely ERDF, ESF and now the fishing and farming side—under one banner, namely the family of structural funds for development purposes. Does that mean that pillar 2 of the CAP is considered one of the structural funds, or is that something for the future?



of the CAP, not structural funds.

[36] **Rhodri Morgan:** If pillar 2 is not in the CAP, and without diverting any of the priority that we want to give to the neglected areas such as FB7 and the other programmes, can we agree that we will look at pillar 2 and that we will include local authorities, where relevant, where they carry out functions similar to those of further education colleges? I see that we are in agreement.

[37] Are there any other points on the scope of the scoping paper?

[38] **Eleanor Burnham:** Yr unig beth yr oeddwn am ofyn—yr wyf yn edrych ar dudalen 8, y dudalen olaf—yw pam nad dydych yn cynnwys Aelodau Seneddol? **Eleanor Burnham:** The only thing that I was going to ask—I am looking at page 8, the last page—is why are you not including Members of Parliament?

[39] **Rhodri Morgan:** Gan fod Aelodau Senedd Ewrop yn gallu dylanwadu'n uniongyrchol. Nid ydym yn gallu gofyn i bawb. Pe bai Aelodau Seneddol yn cymryd diddordeb ni fyddem am eu hatal, ond nid dydynt ar y rhestr fel rhan elfennol o'r ymchwiliad. **Rhodri Morgan:** Members of the European Parliament can have a direct influence. We cannot ask everyone. If Members of Parliament took an interest we would not want to stop them, but they are not on the list as a fundamental part of the inquiry.

[40] **Eleanor Burnham:** Diolch yn fawr—dysgu wyf i ar hyn o bryd. **Eleanor Burnham:** Thank you—I am learning at the moment.

[41] **Rhodri Morgan:** We will ask the clerks to set up the schedule of evidence sessions in the work programme, and we will put out a call for written evidence as soon as we can.

9.37 a.m.

### **Pwyllgor y Rhanbarthau: y Wybodaeth Ddiweddaraf gan Aelodau Cymru Committee of the Regions: Updates from Welsh Members**

[42] **Rhodri Morgan:** I see that we have at least one Welsh member here today, or we may have more than one. Rhodri Glyn will creep under the table—in spirit, if not in body—to answer questions from himself. Committee Standing Orders explicitly allow for Committee of the Regions representatives to attend committee meetings, even including members of this committee, other Assembly Members and members of the local government wing that represents Wales on the Committee of the Regions, or staff of the Committee of the Regions itself. We took evidence on the new mandate of the Committee of the Regions on St David's Day when we visited Brussels, where we heard from the secretary-general of the organisations, Gerhard Stahl. We have tabled papers from the Welsh Local Government Association representatives and also from the two National Assembly for Wales representatives. Iwan Williams from the WLGA Brussels office is in attendance to speak to the paper from the WLGA representatives.

[43] Diolch am eich presenoldeb, Iwan. Thank you for your attendance, Iwan.

[44] Luckily, as regards the Assembly's representatives, Christine Chapman and Rhodri Glyn are here. I will start with Iwan, and I invite him to make any introductory comments. We will then put questions to you and we will then turn to Chris and Rhodri Glyn.

[45] **Mr Williams:** Bore da ichi gyd. **Mr Williams:** Good morning to you all. Diolch am y cyfle i ddod yma heddiw i Thank you for the opportunity to come here

gyflwyno papur ichi ar waith diweddaraf aelodau Cymdeithas Llywodraeth Leol Cymru ym Mhwyllgor y Rhanbarthau. Yn gyntaf oll, ymddiheuraf ar ran y Cynghorydd Bob Bright a'r Cynghorydd Chris Holley am eu habsenoldeb y bore yma—mae gan y ddau ymrwymadau pwysig yn eu hawdurdodau lleol. Yn eu habsenoldeb, byddaf yn cyflwyno'r papur diweddarau ichi.

today to present a paper on the latest work of Welsh Local Government Association members on the Committee of the Regions. First of all, I apologise on behalf of Councillor Bob Bright and Councillor Chris Holley for their absence this morning—both have important commitments in their local authorities. I will present the update paper to you in their absence.

9.40 a.m.

[46] Bu 2010 yn flwyddyn brysur hyd yn hyn i ddirprwyaeth Gymreig Pwyllgor y Rhanbarthau, gydag un adroddiad rapporteur yn cael ei ddatblygu ar hyn o bryd a chyfraniadau pwysig i drafodaethau allweddol ar bolisi Ewropeaidd gan aelodau WLGA ac Aelodau Cynulliad. Fel yr ydych yn ymwybodol, cwblhaodd y Cynghorydd Bright adroddiad rapporteur llwyddiannus ar fynediad cyffredinol i wasanaethau band eang yn 2009. Yn dilyn yr adroddiad hwn, cafodd y Cynghorydd Bright ei wahodd i siarad am faterion yn ymwneud â band eang a thechnoleg gwybodaeth a chyfathrebu mewn nifer o ddigwyddiadau ar ran Pwyllgor y Rhanbarthau. Ar 2 Chwefror, gwahoddwyd y Cynghorydd Bright gan ei grŵp gwleidyddol ym Mhwyllgor y Rhanbarthau i fynychu cynhadledd y Blaid Lafur ym Malta, lle siaradodd am gyfraniad addysg a thechnoleg gwybodaeth a chyfathrebu i leoliadau cynaliadwy yng Nghymru.

This year, 2010, has been a busy year thus far for the Welsh delegation of the Committee of the Regions, with one rapporteur report currently being developed and important contributions to key discussions on European policy by WLGA members and Assembly Members. As you will be aware, Councillor Bob Bright produced a successful rapporteur report on general access to broadband services in 2009. Following the report, Councillor Bright was invited to speak on issues relating to broadband and information and communications technology at a number of events on behalf of the Committee of the Regions. On 2 February, Councillor Bright was invited by his political group in the Committee of the Regions to attend the Maltese Labour Party conference, where he delivered a speech on the contribution of education and information and communications technology to sustainable localities in Wales.

[47] Ar 8 a 9 Ebrill, traddododd y Cynghorydd Bright ddwy araith yn ystod cynhadledd e-lywodraeth ym Mrwsel. Yn ei areithiau, cyfeiriodd at y prosiectau a mentrau e-lywodraeth ardderchog yng Nghymru, gan gynnwys un yn ei ddinas ei hun, Casnewydd, o'r enw trosglwyddo mynediad i wasanaethau. Bydd y Cynghorydd Bright hefyd yn siarad mewn dau ddigwyddiad yn ymwneud â thechnoleg gwybodaeth a chyfathrebu yn ystod wythnos Dyddiau Agored Pwyllgor y Rhanbarthau ym Mrwsel o 4 i 7 Hydref, pan fydd yn cyfeirio at esiamplau ardderchog eraill o ddefnyddio technoleg gwybodaeth a chyfathrebu i gyflawni effeithlonrwydd ynni yng Nghymru.

On 8 and 9 April, Councillor Bright gave two speeches during a conference in Brussels on e-government. In his speeches, Councillor Bright referred to some excellent e-government projects and initiatives in Wales, including one in his home city of Newport called transforming access to services. Councillor Bright will also be speaking at two events during the Committee of the Regions' Open Days week in Brussels between 4 and 7 October, where he will refer to other excellent examples of using information and communications technology as a means to achieve energy efficiency in Wales.

[48] Ym maes addysg, cyflwynodd y Cynghorydd Bright araith mewn cynhadledd yn Athen ar 10 a 11 Mai, ar gydweithrediad

In the field of education, Councillor Bright gave a speech at a conference in Athens on 10 and 11 May on co-operation between local

rhwng llywodraeth leol, prifysgolion a chapddalwyr economaidd a chymdeithasol lleol. Mewn cydweithrediad â sefydliadau addysg uwch Cymru, cyflwynodd y Cynghorydd Bright araith ar gydweithio effeithiol yn ne Cymru, gan dynnu sylw at gydweithio llwyddiannus rhwng prifysgolion Abertawe, Caerdydd a Chasnewydd ac awdurdodau lleol ar draws y rhanbarth. Canmolwyd yr araith, a bu cryn dipyn o ddiddordeb o du'r gynulleidfa yn y cydweithio rhwng llywodraeth leol a sefydliadau addysg uwch yng Nghymru.

government, universities and local social and economic actors. Working with Welsh higher education institutions, Councillor Bright gave a speech on effective collaboration in south Wales, highlighting examples of effective joint working between the universities of Swansea, Cardiff and Newport and local authorities across the region. The speech was well received, and the audience showed a great deal of interest in the collaboration work between local government and higher education institutions in Wales.

[49] Ym mis Gorffennaf, penodwyd y Cynghorydd Bright yn rapporteur ar opiniwn a edrychai ar addysg a hyfforddiant galwedigaethol. Mae'r Cynghorydd Bright yn cydlynu ymateb Pwyllgor y Rhanbarthau i gyfathrebiad y Comisiwn Ewropeaidd, sef 'Ysgogiad Newydd ar gyfer Cydweithrediad Ewropeaidd mewn Addysg a Hyfforddiant Galwedigaethol i Gefnogi Strategaeth Ewrop 2020'. Anfonwyd yr opiniwn at Bwyllgor y Rhanbarthau, ac mae disgwyl iddo gael ei fabwysiadu yng nghyfarfod nesaf y comisiwn diwylliant ac addysg—EDUC—a fydd yn cael ei gynnal ddydd Llun nesaf, sef 27 Medi. Bydd hynny'n cael ei ddilyn gan y mabwysiadu terfynol yn y cyfarfod llawn nesaf ar 1 a 2 Rhagfyr. Dylai'r opiniwn gael ei fabwysiadu cyn y cyfarfod rhwng Gweinidogion yr Undeb Ewropeaidd ar 7 Rhagfyr i drafod datblygiadau mewn addysg a hyfforddiant galwedigaethol Ewropeaidd ers proses Copenhagen yn 2002.

In July, Councillor Bright was appointed rapporteur for an opinion focusing on vocational education and training. Councillor Bright is co-ordinating the response of the Committee of the Regions to the European Commission's communication, entitled 'A New Impetus for European Cooperation in Vocational Education and Training to Support the Europe 2020 Strategy'. The opinion has now been submitted to the Committee of the Regions and is expected to be adopted at the next commission for culture and education—EDUC—meeting, which will take place next Monday, 27 September. The final adoption will take place at the next plenary session on 1 and 2 December. The opinion should be adopted before the meeting between EU Ministers on 7 December to discuss progress in European vocational education and training since the 2002 Copenhagen process.

[50] Mae'r prif negeseuon o'r opiniwn yn cynnwys yr angen i gydnabod rhan addysg a hyfforddiant galwedigaethol wrth gyflymu'r broses o adfywio economaidd yn Ewrop, hyrwyddo pwysigrwydd cymwysterau galwedigaethol, a phwysleisio symudolaeth, hyblygrwydd a phartneriaethau i foderneiddio addysg a hyfforddiant galwedigaethol yn Ewrop.

Key messages from the opinion include the need to recognise the role of vocational education and training in speeding up the economic recovery in Europe, to promote the importance of vocational qualifications, and to place an emphasis on mobility, flexibility and partnerships to modernise vocational education and training in Europe.

[51] Mae'r opiniwn yn gyfle ardderchog i lywodraeth leol Cymru, ac i Gymru yn gyffredinol, chwarae rhan weithredol wrth ddylanwadu ar faes polisi pwysig a fydd yn chwarae rhan allweddol yn strategaeth datblygiad economaidd 10 mlynedd y Comisiwn Ewropeaidd, sef Ewrop 2020.

The opinion is an excellent opportunity for Welsh local government, and for Wales in general, to play an active role in influencing an important area of policy that will play a key role in the European Commission's 10-year economic development strategy, Europe 2020.

[52] Gan y bydd cyfathrebiad y Comisiwn, casgliadau dilynol y Cyngor Ewropeaidd a datganiad proses Copenhagen yn ffurfio'r fframwaith ar gyfer mentrau a chydweithredu dros y degawd nesaf ym maes addysg a hyfforddiant galwedigaethol, bydd pwysigrwydd yr opiniwn yn dod yn fwyfwy amlwg. Gyda chefnogaeth swyddogion Cymdeithas Llywodraeth Leol Cymru, sef Daisy Seabourne a minnau, drwy ymgynghori â swyddfeydd Cynulliad Cenedlaethol Cymru, Addysg Uwch Cymru a Llywodraeth Cynulliad Cymru ym Mrwsel, a drwy dderbyn cyngor gan arbenigwyr addysg a hyfforddiant galwedigaethol ym Mhrifysgol Cymru, Casnewydd a Phrifysgol Caerdydd, mae'r Cynghorydd Bright yn edrych ymlaen at gyflwyno ei opiniwn yn y cyfarfod llawn ym Mrwsel ym mis Rhagfyr.

[53] Bu'r Cynghorydd Bright yn eilyddio ar gyfer y Cynghorydd Chris Holley, nad oedd yn gallu mynychu cyfarfodydd diweddar Pwyllgor y Rhanbarthau o ganlyniad i ymrwymadau gartref yn ei awdurdod lleol, gan fynychu dau gyfarfod y Comisiwn ar gyfer Polisi Cydlyniad Tiriogaethol. Gan fod disgwyl i'r adolygiad o gyllideb yr Undeb Ewropeaidd gael ei gyhoeddi ddiwedd mis Medi, a chan y bydd pumed adroddiad y Comisiwn Ewropeaidd ar gydlyniad yn cael ei gyhoeddi ym mis Tachwedd, mae datblygiadau mewn polisi cydlyniad a materion tiriogaethol o bwysigrwydd sylweddol i Gymru. Mae mynychu'r cyfarfodydd hyn yn hollbwysig er mwyn dysgu am y datblygiadau allweddol, a bydd y Cynghorwyr Bright a Holley yn parhau i wneud datganiadau lle bo hynny'n briodol, ar ran Llywodraeth leol, a Chymru yn gyffredinol.

[54] Er nad yw wedi gallu mynychu cyfarfodydd diweddar COTER, cynrychiolodd y Cynghorydd Holley Gymdeithas Llywodraeth Leol Cymru yng nghyfarfod pwyllgor polisi Cyngor Bwrdeistrefi a Rhanbarthau Ewrop yn Oslo ar 3 a 4 Mehefin, yn ogystal â chynhadledd yr Undeb Ewropeaidd ar lywodraeth leol y Deyrnas Unedig ym Mrwsel ar 7 Mehefin.

[55] Yn ystod cyfarfod Oslo, cytunodd meiri a chynrychiolwyr etholedig llywodraethau lleol a rhanbarthau Ewrop ar

As the Commission's communication, the subsequent conclusions of the European Council, and the declaration of the Copenhagen process will form the framework for initiatives and co-operation over the next decade in the area of vocational education and training, the opinion will take on added importance. With the support of officers from the WLGA, namely Daisy Seabourne and me, through consultation with the National Assembly for Wales, Higher Education Wales and Welsh Assembly Government offices in Brussels, and through receiving advice from other vocational education and training experts from the University of Wales, Newport, and Cardiff University, Councillor Bright looks forward to presenting his opinion at the December plenary session in Brussels.

Deputising for Councillor Chris Holley, who has been unable to attend recent meetings of the Committee of the Regions because of domestic commitments in his local authority, Councillor Bright has also attended two Commission for Territorial Cohesion Policy meetings. Given that the EU budget review is expected in late September and that the European Commission's fifth report on cohesion will be published in November, developments in cohesion policy and territorial issues are of significant importance to Wales. Attending these meetings is crucial in order to keep up with key developments, and Councillors Bright and Holley will continue to make statements where appropriate, on behalf of local government, and Wales generally.

Although I have been unable to attend the recent COTER meetings, Councillor Holley represented the Welsh Local Government Association at the Council of European Municipalities and Regions in Oslo on 3 and 4 June, as well as the United Kingdom local government European Union summit in Brussels on 7 June.

During the Oslo meeting, the mayors and elected representatives of local and regional governments in Europe agreed a common

ymdrech wleidyddol ar y cyd i fynd i'r afael â'r argyfwng economaidd yn Ewrop. Canolbwyntiodd cynhadledd Brwsel ar rôl llywodraeth leol o ran cyflawni amcenion strategaeth Ewrop 2020. Yn ystod y gynhadledd, cymerodd y Cynghorydd Holley y cyfle i gynnal trafodaethau anffurfiol gyda phrif swyddogion y Comisiwn Ewropeaidd, cynrychiolaeth barhaol y Deyrnas Unedig i'r Undeb Ewropeaidd, a Senedd Ewrop. Rhoddodd hefyd grynodedb manwl a chynhwysfawr o'r materion Ewropeaidd sydd o ddiddordeb pennaf i lywodraeth leol yng Nghymru, a Chymru yn gyffredinol.

political effort to overcome the economic crisis in Europe. The Brussels summit focused on the role of local government in achieving the objectives of the Europe 2020 strategy. During the summit, Councillor Holley took the opportunity to hold informal talks with senior officials from the European Commission, the UK permanent representation to the European Union, and the European Parliament. He also gave a detailed and comprehensive overview of the European issues that are of most concern to Welsh local government, and to Wales in general.

[56] Bydd y Cynghorwyr Bright a Holley yn mynychu dyddiau agored blynyddol Pwyllgor y Rhanbarthau ym Mrwsel rhwng 4 a 7 Hydref. Mae'r WLGA eleni yn rhan o gonsortiw m lobïo ar gyfer parhad cyllid cystadleurwydd yr Undeb Ewropeaidd wedi 2013. Os bydd yr amcan cystadleurwydd yn gorffen yn ystod y cyfnod rhaglenni nesaf, gall hynny gael effaith niweidiol ar ddwyrain Cymru. Ynghlwm wrth waith y consortiw m, cynhaliodd y WLGA ddiwrnod agored ar yr un thema yn Llandrindod ddoe—20 Medi. Canolbwyntiodd y digwyddiad lleol hwn ar werth cyllid cystadleurwydd yn y cyd-destun domestig, gan edrych ar rôl y cyllidebau hyn yn natblygiad economaidd cynaliadwy ac adfywio dwyrain Cymru, a'u cyfraniad at gyflawni amcanion strategaeth Ewrop 2020.

Councillors Bright and Holley will be attending the annual Committee of the Regions open days week in Brussels between 4 and 7 October. This year, the WLGA is part of a lobbying consortium for the continuation of EU competitiveness funding post 2013. If the competitiveness objective were to cease during the next programme period, that could have a detrimental effect on east Wales. To complement the work of the consortium, the WLGA hosted an open day on the same theme in Llandrindod yesterday—20 September. This local event focused on the value of competitiveness funding in the domestic context, looking at the role that these funds play in the sustainable economic development and regeneration of east Wales, and their contribution to achieving the goals of the Europe 2020 strategy.

[57] Y Cynghorydd Holley a gadeiriodd y digwyddiad hwn, fel llefarydd Ewrop ac adfywio y WLGA, a chynrychiolydd y WLGA ar Bwyllgor y Rhanbarthau. Yr ydym yn ddiolchgar i rai o aelodau'r pwyllgor hwn am siarad yn y gynhadledd ddoe—diolch yn fawr i chi.

Councillor Holley chaired this event, as the WLGA's spokesperson on Europe and regeneration, and the WLGA representative on the Committee of the Regions. We are grateful to some of the members of this committee for speaking at the conference yesterday—thank you.

[58] **Rhodri Morgan:** Do you wish to comment, Chris? It is not necessary for you to read your paper, but if you wish to comment, please do so. Rhodri Glyn can then comment on your paper.

[59] **Christine Chapman:** Thank you, Rhodri. As you know, Rhodri Glyn is now a full member of the Committee of Regions—he is fully on board now. It is great to have him to share this work. The Committee of the Regions members—from local government and the Assembly—take a team Wales approach, which is very positive; that also includes the Welsh Members of the European Parliament. Following my opinion last December, as the paper mentions, I have undertaken several engagements in Europe on the EU 2020 strategy, so work continues there. My main news, on a personal level, is that I have been appointed by the Committee of the Regions, in its June plenary, as one of the two political co-ordinators of the

Europe 2020 monitoring platform. This role gives me responsibility for providing political steer on the platform's work with regard to the social and economic dimensions of the EU 2020 strategy.

[60] **Rhodri Morgan:** What is the difference between a political steer, and a non-political steer? Are there any members of the Committee of the Regions who are not there as representatives of any political parties?

[61] **Christine Chapman:** This particular role has come from the PES group, but it is a Committee of the Regions appointment. The other person who is involved in this is President Vendola, who is the President of the Puglia region of Italy. Therefore, we are working together a great deal.

[62] **Rhodri Morgan:** He is a right-of-centre politician, is he? He is a Christian Democrat or whatever, is he?

[63] **Christine Chapman:** Well, he is part of our group, I think.

[64] **Rhodri Morgan:** Is he a right-of-centre or a left-of-centre politician?

[65] **Mr Jones:** He is a socialist.

[66] **Rhodri Morgan:** He is a socialist as well, is he? I see.

[67] **Christine Chapman:** As I said, we are working on this together. We have been appointed to this role, and I have a meeting with him the week after next during the open days.

[68] As one of the co-ordinators, I will be chairing one of the open day sessions, on cities and regions. Iwan has mentioned the heavy involvement of the WLGA. The session that I will be chairing will be on regional research and innovation. Therefore, again, that sort of activity is the result of this new appointment.

9.50 a.m.

[69] **Rhodri Morgan:** Could you remind us, Chris, of your opinion in November?

[70] **Christine Chapman:** It was last December. It was basically looking at the EU 2020 strategy and the next 10 years. There was quite a large profile on that. It was almost unanimously adopted; there was quite a lot of consensus. As I said, as a result of that there has also been quite a lot of spin-off activity.

[71] I will talk briefly about the function of the platform, because it is quite important. At present, there are 127 local and regional authorities from all 27 EU member states. They are members of the Europe 2020 monitoring platform, which has emerged from the original Lisbon monitoring platform set up in 2006 to monitor the implementation of the revised Lisbon strategy. Interestingly, Wales is not a member of the platform. I am not quite sure why that is the case. Other parts of the UK are involved in this platform, such as Cornwall, the east of England, Lancashire, Leicestershire, Nottingham, Preston City Council, south-east England, Warwickshire, West Midlands, Yorkshire—

[72] **Rhodri Morgan:** It is too painful. Wales is not there.

[73] **Christine Chapman:** Yes, as I said, I am not quite sure why that is the case. The role of the platform is fourfold. It is about monitoring how the local and regional authorities

participate in the new strategy, looking at the specific roles that they should play under the three pillars, which are being smart, sustainable and inclusive growth, and also looking at their flagship initiatives while showing the relevance of multi-level governance to making the most of the new strategy. It is also about feeding into the Committee of the Regions' consultative activity and EU debate, and giving local and regional policy makers opportunities for direct discussions with the higher tiers of European institutions. It is also about voicing those local and regional political concerns and proposals about the design and implementation of the EU 2020 strategy. As touched upon earlier, it is really important that local and regional authorities, as we have in Wales, are part of this strategy; otherwise, I do not think that it will be a success. It is also about sharing best practice, which I think that the open days next week will help to achieve. For example, if you look under the environmental pillar—it works on a sort of thematic basis—which President Vendola has been more involved with, you will see that the platform is co-operating with the covenant of mayors, which has supported the survey on sustainable energy policies.

[74] Another important point is that the EU 2020 monitoring platform was acknowledged by President Barroso in the letter to the Committee of the Regions on 31 August. Therefore, again, there is relevance there. I will leave it at that, because I think that that is enough.

[75] **Rhodri Morgan:** Hoffet ti wneud unrhyw sylwadau ychwanegol ar dy ochr di o'r ddirprwyaeth, Rhodri Glyn?

**Rhodri Morgan:** Do you wish to make any additional comments on your side of the delegation, Rhodri Glyn?

[76] **Rhodri Glyn Thomas:** Dim ond sylwadau byr iawn. Mae'n werth ategu'r hyn a ddywedodd Iwan ynglŷn â rôl Bob Bright a rôl Chris o fewn Pwyllgor y Rhanbarthau. Mae'n amlwg bod newid wedi digwydd o ran deinameg Pwyllgor y Rhanbarthau, a bod y pwyllgor yn bwriadu bod yn rhan llawer mwy canolog o drafodaethau ac yn fwy dylanwadol o ran penderfyniadau'r Undeb Ewropeaidd. Mae'r datganiadau—os dyna'r cyfieithiad cywir o 'opinion'—gan Bob a Chris wedi'u rhoi mewn sefyllfa dylanwadol iawn o fewn y pwyllgor.

**Rhodri Glyn Thomas:** I will make only very brief comments. It is worth endorsing what Iwan said earlier about the role of Bob Bright and Chris's role within the Committee of the Regions. It is evident that there has been a change in the dynamics of the Committee of the Regions, and that the committee intends to be much more central to debate and more influential in terms of the decisions made by the European Union. The opinions of Bob and Chris have placed them in a very influential position within the committee.

[77] Mae'n siŵr y daw'r cyfle, ond nid wyf wedi cael y cyfle eto i eistedd ar bwyllgor craffu y Pwyllgor y Rhanbarthau a fydd yn edrych ar gyllideb yr Undeb Ewropeaidd. Byddaf yn eilydd ar y pwyllgor craffu hwnnw, ond deallaf na fydd yr aelod o'm grŵp, o'r gynghrair Ewrop, yn medru mynychu llawer o'r pwyllgorau, felly bydd cyfle imi fynd a byddaf yn manteisio ar hynny, wrth reswm, i fwydo'n ôl i'r pwyllgor hwn.

I am sure that the opportunity will arise, but I have not yet had the opportunity to sit on the scrutiny committee of the Committee of the Regions that will be looking at the European Union budget. I will be an alternate on that scrutiny committee, and my understanding is that the member of my group, from the European alliance, will be unable to attend many of the committees, so there will be an opportunity for me to go and I will take advantage of that, naturally, to feed back to this committee.

[78] **Rhodri Morgan:** Diolch. Jeff, do you have a question?

[79] **Jeff Cuthbert:** Thank you very much for the report. I have a question on the economic situation and the role that the Committee of the Regions plays with regard to sharing best practice, as Chris mentioned. Is there a role for the Committee of the Regions in

assessing how the recession has affected particular regions within the European Union? What lessons have been learned and, subsequently, how is that information cascaded, particularly with regard to what we have done in Wales?

[80] **Christine Chapman:** There is a meeting next week—which I am unable to attend—of the Commission for Economic and Social Policy, ECOS, which is my commission. I know, for example, that it was looking at an example from Greece, as it has been quite an example in Europe. There is quite a lot of dialogue on this issue at the moment, so, again, I am more than happy to work with Gregg to cascade that information.

[81] **Rhodri Glyn Thomas:** Nodaf hefyd, Gadeirydd, y byddaf yn mynychu cyfarfod ECOS yn lle Chris ddydd Mercher nesaf, ac felly gallaf godi'r pwyntiau ar ei rhan. **Rhodri Glyn Thomas:** I also note, Chair, that I will be attending the ECOS meeting in place of Chris next Wednesday, so I will be able to raise those points on her behalf.

[82] **Rhodri Morgan:** Iawn. Nid wyt ti eisiau gofyn cwestiwn i ti dy hun, felly. **Rhodri Morgan:** Okay. So, you do not want to ask a question to yourself.

[83] **Rhodri Glyn Thomas:** Na, nid ar hyn o bryd. **Rhodri Glyn Thomas:** No, not at present.

[84] **Eleanor Burnham:** Mae gennyf ddi-ddordeb mewn dwy ran o Ewrop oherwydd mae'r ferch yn rhedeg cwmni recriwtio ym Mwarést, ac mae'r mab yn athro Saesneg yn Lisbon. Gwn fod y ddwy wlad hynny yn eithaf tlawd. Pa fath o ddeialog sy'n bodoli rhwng dwy wlad felly a gwlad fach fel Cymru? Pa fath o ddylanwad ydych chi yn ei gael gyda'ch datganiadau ac ati, a pha fath o flas Cymreig y gallwch ddod i Bwyllgor y Rhanbarthau? **Eleanor Burnham:** I have an interest in two parts of Europe because my daughter runs a recruitment company in Bucharest, and my son teaches English in Lisbon. We know that those two countries are quite poor. What kind of dialogue exists between countries such as those and a small country such as Wales? What kind of influence do you have with your statements and so on, and what kind of a Welsh flavour can you bring to the Committee of the Regions?

[85] **Christine Chapman:** I think that we can do both. There is a value to being on the Committee of the Regions, because there is that dialogue across commissions and also there is that party-political side to it. So, you can come at it from a number of angles. It is also about promoting the profile and the sharing of Welsh good practice. So, I see it as a dual role: it is about sharing good practice with others and also raising our profile in Europe. There are an awful lot of opportunities there, Eleanor.

[86] **Rhodri Morgan:** Before we move on to the next item, we will have a brief break while we dial up the Brussels office for the video conference with Sir Kim Darroch. I thank Chris and Rhodri, and Iwan on behalf of the Welsh Local Government Association. I have never heard the acronym 'WLGA' being pronounced as you pronounced it before; I thought that a female Russian representative on the Committee of the Regions was being mentioned, but I then twigged that it was not.

[87] We have a break now of around two to three minutes while we try to dial up the Brussels office of Sir Kim Darroch, the UK's permanent representative to the EU.

*Gohiriwyd y cyfarfod rhwng 9.59 a.m. a 10.03 a.m.  
The meeting adjourned between 9.59 a.m. and 10.03 a.m.*



**Y Wybodaeth Ddiweddaraf am Ddatblygiadau'r Undeb Ewropeaidd:  
Cynrychiolydd Parhaol y Deyrnas Unedig yn yr UE—drwy Gyswllt Fideo  
Update on European Union Developments: UK Permanent Representative to the  
EU—by Video Conference**

[88] **Rhodri Morgan:** [*Inaudible.*]—structural funding, as regards both convergence funding and competitiveness funding is when it comes to what happens after 1 January 2014, now that the budget review process is starting to get interesting?

[89] **Sir Kim Darroch:** I see that the difficult questions are being asked first. I will elaborate, but the short answer to that question is that the attitude that we take to the future financing negotiations, which will start next year, as a whole and to the individual elements of those negotiations, in particular what happens on structural and cohesion funds, is still being actively discussed in the Government. There have been official-level discussions, papers are going around and Ministers have had an initial meeting on it, but there is no agreed position yet within the coalition Government.

[90] To add a couple of thoughts on the process, what will happen this autumn is that, probably in November, you will receive a review from the Commission on structural and cohesion funds. In theory, that review and the debate that follows it in the council should play into the Commission's proposals for the next future financing period of 2014 to 2020. Those proposals will come out towards the end of the first half of next year, we think. In other words, it will be in May or June. None of this, however, is certain.

[91] The Government has therefore to decide its views and its position on the future of structural and cohesion funds and, indeed, on the future of the common agricultural policy, which will be under review at about the same time. However, it cannot just look at these things in isolation, it will have to look at them in the context of the overall approach to the next financial perspectives. So, there is a rather big set of strategic issues for the Government, which has to balance individual objectives in various areas with the overall approach to the next future financing period and the overall budget for that, and so on.

[92] If you are wondering, in answer to what I said first of all, why the Government has not got its act together, as it were, and made a decision, it is because these issues are genuinely complicated, and there are tricky strategic judgments to be made about the relative priority and importance of various negotiating objectives. That is why it is taking a while, and there are some quite lively exchanges, as I understand it—I sit here in Brussels rather than in London—between departments.

[93] Before I hand back to you, I will ask whether Tim wishes to add to or correct anything. I see that he does not.

[94] **Rhodri Morgan:** To be slightly more specific, would you say that, as far as the UK Government is concerned, it is still possible that it will be arguing for the wealthy member states, such as the United Kingdom, to be given the role of looking after the regional development interests of their less well-off parts, or will it be looking at it from the point of view that cohesion is a pretty important principle and that Wales, as a less well-off part of a rich member state, namely the United Kingdom, should therefore still have access, where it needs it, to cohesion funding even though it is a part of a wealthy member state?

[95] **Sir Kim Darroch:** That is obviously a very important question. I must be careful here, because what I am about to do, basically, is speculate, as the Government has not formed views. I think that the overriding priority for the Government, given the pressure to

cut public expenditure, is likely to be to keep the overall budget for 2014 to 2020 down to as low a sum as possible. The last time around, we formed something with the other net budget contributors called the 1 per cent club, in which we aimed for an EU budget in the EU envelope over the seven-year period of around 1 per cent of total EU gross national income. I would not be surprised if it tried to squeeze down on that a little bit this time, because a 1 per cent GNI limit actually means—given that GNI grows across the EU year by year—that you have an expanding budget over that period, and there will not be many national Governments, I can promise you, that will be spending lots of extra new money nationally over the next decade. Most Governments will be in the same position as ours, which is looking for expenditure cuts. In that sort of wider context, my guess, which is all it is, is that the overriding priority for the Government will be to keep the EU budget as small as is negotiable.

[96] The second point is that, within that envelope, I think that everything is still to play for on the individual policies. However, it would be wrong of me to suggest that there is a strong likelihood—I simply do not know, but I think that it is possible—that the Government will arrive at the position that the structural and cohesion funds should basically be concentrated on the poorer member states.

10.10 a.m.

[97] It is possible that they will end up somewhere else; I do not know. I would not rule out any of the options, including a continuation of the previous Government's policy. All of those are possibilities.

[98] The third point is that we are one of 27, and there is a lot of support for structural and cohesion policy across the EU, including in some of the net contributor member states, including France and Germany, for example. It will be quite difficult to negotiate a radical reduction in this budget. I am speculating, but it will be difficult. The point I am trying to convey to you is that, whatever the UK Government decides on this, there will be another negotiation after the negotiation within Government. If we are going for a radical policy on reducing structural and cohesion funds, that will be quite a difficult negotiation. The Government will have to prioritise what it really wants: does it want the smallest budget, and within that budget it is prepared to let existing and strongly supported projects like the CAP and structural funds continue in their present form; or can it achieve both a smaller budget and some radical reform of these EU internal policies? I do not know, but in my experience of these negotiations, it is always hard to achieve all the objectives.

[99] **Rhodri Morgan:** This is the last question from me before I bring in Jeff Cuthbert and then Rhodri Glyn Thomas.

[100] **Sir Kim Darroch:** Tim wanted to add to what I have said.

[101] **Mr Render:** In a sense, the same debate is happening in Brussels. I think that it will be one of the strands that will be discussed in the follow up to the Commission's communication, which we expect to issue in November. I think that the Commission is looking at how it focuses the use of structural and cohesion funds in terms of what they deliver, but it also wants to ask where they should be. That is, whether they should be everywhere in every region in every member state, which is the position that we are in at the moment; focused in the poorer regions, but probably still in every member state; or in only the poorer member states. That debate is still happening at an EU level. To pick up on Kim's last point, I think that Commissioner Hahn, as you would probably expect, is in favour of having something everywhere, to fly the European flag in every region, but looking much more at the focus and the added value of doing that. Focus both on outcomes and on targeted regions will definitely be among the issues that will be debated at EU level as well as within

the UK Government.

[102] **Rhodri Morgan:** I have one further question. Is it fair to describe the UK Government's position roughly as follows: that even if, theoretically, it wanted to go for a major reduction in structural funding or a concentration of it in just the poor Member states and repatriation of the responsibility for regional development in the wealthy member states back to those states, it knows that, pragmatically, if Germany and France, as the other big net payers, do not come on board for that policy—and it does not look as if they are going to do so—then it would be a wild goose chase for the UK to try to seek a really dramatic restructuring along those lines? Therefore, they may go for something a bit more pragmatic.

[103] **Sir Kim Darroch:** I do not think that that is where the Government is today or where it will find itself for the next 12 months. We will have to respond to three things this autumn: the CAP review, the structural funds review, and a document that comes out in September, which is a budget review that is meant to look at how you can reform and modernise the priorities for EU expenditure, which may—and we do not know what is in it yet—suggest some reprioritisation towards areas such as environmental goods, innovation or research and development; we will see. However, as of now, I expect, when the Government has decided what its reform objectives are, for it to push those objectives to give them a run for at least the next several months.

[104] What you describe, and I am being completely speculative here—it is a personal view—might be where we will find ourselves 18 to 24 months down the track from now, when we are into the heat of the future financing negotiations and you reach that point where, as negotiators, you have to prioritise. Where can you strike alliances and what concessions do you have to make or pragmatic deals do you have to do in those circumstances? If, for example, the Government decides that its overall priority is the size of the budget—to keep it smallest—and, say, to preserve the UK abatement, the rebate, in its present form, two objectives will be more than enough for us negotiators, and then you may have to be pragmatic about your reform objectives in other areas. So, as I say, what you describe may be where we will be in 18 months. It is not where we are now, and I think that it has been decided that the Government will at least give its reform ideas on structural funds and the CAP a run in the context of these reviews. How far they get, we will have to see.

[105] **Rhodri Morgan:** Thanks, Kim.

[106] **Jeff Cuthbert:** I think that this flows logically from the last set of questions. I attended an open-day event in mid Wales yesterday, organised by the Welsh Local Government Association, on the future of cohesion policy and, particularly, competitiveness, which is the funding available to that part of Wales. However, inevitably, the issue of convergence also came up. In its paper, the Welsh Local Government Association pointed out that about €1 trillion is being put aside to support the eurozone, particularly with regard to the economic crisis in Greece. Given that backdrop, do you have any feel for, not so much whether we will get future cohesion policy here in Wales, but the level at which it might be set? Will it be significantly reduced, and is it possible that the 75 per cent threshold for qualifying for convergence might be changed?

[107] **Sir Kim Darroch:** I am going to ask Tim to respond to that question first, and then I will add some comments on the wider context, if I may.

[108] **Mr Render:** I will leave Kim to talk about the wider context of the eurozone package. A great deal of this is going to flow from the budget decisions—the size of the pot that is agreed for structural funds, whether that is reduced and where the targeting is. At this stage, it is purely speculative. You can see a range of potential outcomes. With regard to the 75 per cent threshold, again, it is an issue that people will want to reflect on. Personally, my

gut feeling is that it has been entrenched for such a long time in community policy that it will stay. The question is whether it is the only threshold or whether you introduce another slightly lower threshold of, say, 60 per cent, as quite a lot of the new member states would still be below that level of GDP, to get even more help—the classic cohesion support. It is an issue that will be debated, but my gut feeling is that it is one of those lines that is very clearly established. It has been well thought through in the past, and changing it would probably be just too painful, politically. However, it is definitely an issue that will be open to debate, and quite a lot of it will depend on the size of the pot. Clearly, the smaller the pot, the more you want to focus it, and the more you have to take tough decisions about what we can afford. So, that is my gut feeling about how that will pan out.

[109] **Sir Kim Darroch:** On your point about the wider context, I was at the meeting where they agreed the €750 billion EU fund, with a possible €250 billion from the International Monetary Fund, which gets you up to the figure of €1 trillion. It was an extraordinary event. Of course, the idea was that the money would not be spent; it was a signal to the markets that we were prepared, if necessary, to throw massive resources at stabilising the sovereign debt markets. It was called a shock and awe tactic at the time. On the back of that, they were supposed to back off. For a while they did, but it is starting to fray a bit at the edges now. The spreads on some sovereign debt stocks are almost as high as they were before this package was announced. In brief, it looks a bit more stable and feels a bit better. There is growth restarting in some European economies, but it still feels very fragile. You have the impression that anything could trigger another set of convulsions in the market, such as bad figures for an individual economy or a run on a particular bank—anything could set it off.

[110] That means that there is still a great deal of uncertainty in the system, and Governments are being very cautious about spending money. Most are retrenching and reducing domestic expenditure, which is about the harshest context for the next future financing negotiations that you could imagine. However, there are basically two arguments out there. The net contributors say that they are cutting back savagely at home and so the EU budget must reflect this reality. That is what the UK is saying, and what I expect Germany, France and others to say. There will be nuances in those arguments about individual policies. I think that the French and the Germans will want to protect the CAP, particularly pillar 1, and structural cohesion policy. However, the overall context for the net contributors will be that we must be rigorous, as we are with the national budgets.

[111] Of course, there is quite a significant group of member states—more than 12—that are net recipients from the budget that will argue that, with less money nationally because they are retrenching, you need more European money and that, therefore, the EU budget should be a bit bigger if anything to replace some of the money that is not available nationally. In the end, we will have to find a deal between these two camps. I suspect that the deal will be on the conservative side in terms of the overall budget, but let us see. However, as a context, it is the most difficult ever, and I think that it makes next year's future financing negotiations probably the most difficult in the modern history of the European Union. It will be that tough, I think.

[112] **Rhodri Glyn Thomas:** I wish to press you a little on the timescale of the UK Government's view on future cohesion policy and the CAP reform. When do you think the UK Government will have a view on those issues? With regard to Wales, our interest is to what extent devolved Governments will have an influence on the position taken by the UK Government and how Ministers from Wales will be able to ensure that Wales's views are heard and considered as that position is developed.

[113] **Sir Kim Darroch:** For us sitting out here in Brussels, the answer to that is quite straightforward. There are three deadlines. The budget review document will emerge from the Commission in the first or second week of October. From the moment it is put on the table,

we will need to have a view on it. That could touch on cohesion policy, structural funds and the CAP. However, we will see. It is being held very tightly within the Commission. Usually, we get pirate copies of such things, but we do not have anything on this one. I think that it is being held under lock and key every night. Then, when the CAP review and the structural funds review come out in November, from the day that those are tabled, we will need to have a view on what we think about them—what our ideas are. Those of us who are here will need clear instructions; we will need a clear set of UK priorities and policies on the budget review by early to mid-October and on the future of the CAP and of the structural funds by the beginning of November. The Whitehall people with whom we work know the deadlines and dates for when these things are coming out and are working towards those.

[114] On the question of your own interaction with Whitehall, you are about as close to them geographically as we are over here. You just have to, as it were, push open the door and make your views felt. It is outside the United Kingdom Permanent Representation to the European Union's direct responsibilities, but there are structures and committees in which you participate and you have other ways of talking directly to Government Ministers. However, if I were you, I would not wait to be invited; I would do what we at UKREP do when we have views on negotiations, which is to say, 'Listen to us: this is what we think.' I would be proactive about putting your views forward.

[115] **Mr Render:** If I could add to that, from practical experience, on the groups that are considering policy on structural funds across Whitehall at the official level, Welsh Assembly Government and Scottish Executive officials are part of the groups that are inputting into that development. Similarly, for example, on how we would undertake briefings for the agriculture council, which will be following up the CAP reform communication, such briefings will be discussed at official level, and wherever possible, agreed at official level with all of the devolved administrations. Devolved administration officials and, quite often, Ministers will attend the council. Before such meetings, we will always sit down with the Minister from the Department for Environment, Food and Rural Affairs representing the UK to discuss with all of the officials, including those from the devolved administrations, and Ministers, if they are at council, what the UK line is and what points we are making, to reflect, as far as possible, concerns from devolved administrations. So, at a practical level, there is quite a lot of engagement, but as Kim said, the opportunity is there for you to present your ideas and concerns, both at that operational level and at the more political level through some of Whitehall's official structures.

[116] **Rhodri Morgan:** Thank you, Kim and Tim. There is one final question from Eleanor Burnham.

[117] **Eleanor Burnham:** I am new to the committee; this is my first meeting and it is very interesting. On the financial regulation, do you think that the UK Government supports introducing the European financial transaction tax and do you believe that the financial economic crisis has led to a shift in how the EU approaches market regulation generally?

[118] **Sir Kim Darroch:** I will leave market regulation to Tim. On the financial transaction tax, I had the pleasure of sitting in on a discussion at the last Economic and Financial Affairs Council meeting on the financial transaction tax. It is one of those things that has changed with the new coalition Government because previous Governments supported the transaction tax, provided that it was implemented globally so that it did not have consequences for individual financial centres that applied it when others did not. This Government does not take that view and the Chancellor both in the ECOFIN meeting and in the press conference afterwards more or less rejected the tax as being unworkable and impractical and stated that it would never get global agreement, so it was not really worth wasting time thinking about it.

10.30 a.m.

[119] Earlier in the meeting, metaphors about horses were used for some reason and he said that the financial transaction tax was not a horse, but a unicorn—a sort of fabled beast that people like to dream about, which would be the perfect tax because it would just affect those nasty financiers and ordinary people would not need to contribute to it at all. However, it is never going to happen—you will never get global agreement on it, we do not know how we could do it, and it would not work, so let us just forget it: that is basically the new Government's position. Let me just say one other thing on this: when the Commission brings forward its budget review proposals in October, it will probably address not just how you spend money, but how you raise it. The Commission's dream has always been a tax that it raises or levies directly—in other words, it would not get contributions from national Governments, but something would come direct from the people, as it were, to Brussels. The Commission has ideas on this, including an option of a financial transaction tax, but also taxes on air travel, or whatever. When the budget commissioner, Mr Lewandowski, floated this in the newspapers before the summer, he was told via the press by the French Government, the German Government and the British Government, to name just three, that this idea of an EU tax would never fly. When you get the big three, as people say around here, agreeing that an idea will not work, that ought to be a message that gets through. I do not think that the commissioner quite accepts that yet, and I think that the Commission will come back to this. You could find the financial transaction tax emerging in that context, as an EU tax, but I repeat that I do not think that it has any chance of flying, certainly not this time around. Tim, do you want to add anything?

[120] **Mr Render:** On some of the wider market regulation, it has been one of those debates going beyond the financial services sector into what do we do in other market areas. I would draw attention to three things. First, the report on the single market, and how the community can grow and complete the single market in areas where, at the moment, it is incomplete—such as energy services, and some of those sectors—with a recognition that this is one of the positive responses to an economic crisis. If you want to stimulate growth, the single market has done that very effectively, so let us keep going on that. So, there is a philosophical push on that that will help. Secondly, the Commission will be publishing a better regulation agenda a bit later this year, reducing the burden of regulation on business. Quite a lot of that will be internally focused on how the Commission and the European Union make regulation and understand its impact, with a strong emphasis on effective regulation that minimises burdens on business.

[121] The third strand is illustrative of the sorts of debates that have been going on in a number of areas around the common agricultural policy, responding to some of the price volatility that we have seen in recent years, particularly in the milk sector. There is a lively debate about where you go in regulating the market, with some member states being quite keen to move back to positions that we had in the 1970s and 1980s, actually controlling price and volume—the sort of thing that led to butter mountains and wine lakes—as opposed to more market-focused approaches through managing some of the futures markets, and so on, with producers increasing their powers of competition to negotiate with retailers and purchasers. The debate is about getting the balance right between regulation and state intervention on one hand and using competition policy more effectively on the other. It has been particularly lively on the common agricultural policy. Again, it is a debate that, from a UK perspective, is sometimes seen as being a little odd. For instance, there has been a lot of debate about the requirement of milk producers to have contracts with the people who buy their milk. From a UK perspective, of course people have contracts—that is how you do business—but for a lot of people in the EU, even that fairly basic level of professional business relationship is still evolving in agriculture. The involvement of market regulation to help people evolve some of that is an area that may well be developed.

[122] **Rhodri Morgan:** Thank you. I am sorry that we have to draw our committee session

with you to a close, because we have to switch the video link over to Strasbourg to hear from the Welsh Members of the European Parliament, but you will understand why that is necessary. Thank you for your participation. We will send you a copy of the transcript for you to check for accuracy, to see if we have got it down properly. As we say in Wales:

[123] **Diolch o galon am eich cyfraniad.** Thank you for your contribution.

[124] I hope that it will not be the last session of this kind.

[125] **Sir Kim Darroch:** On behalf of Tim and I, thank you for inviting us—it was a pleasure to do it. It is important part of our job in UKREP to liaise and work with the devolved Governments as closely as possible. We are available any time to do this, and we would certainly welcome further such sessions in the future. I am looking forward to coming to Wales when the RBS 6 Nations rugby season kicks off next year.

[126] **Rhodri Morgan:** Okay, we look forward to that too. Thank you. Goodbye.

*Gohiriwyd y cyfarfod rhwng 10.36 a.m. a 10.40 a.m.  
The meeting adjourned between 10.36 a.m. and 10.40 a.m.*

**Aelodau Seneddol Ewropeaidd: Y Wybodaeth Ddiweddaraf am Ddatblygiadau a  
Gweithgareddau'r Undeb Ewropeaidd—drwy Gyswllt Fideo o'r Senedd  
Ewropeaidd  
Welsh Members of the European Parliament: Update on European Union  
Developments and Activities—by Video Conference from the European  
Parliament**

[127] **Rhodri Morgan:** Welcome back. We must move on quickly now. Please make any introductory comments you would like to. However, please keep them as short as possible because we are overrunning slightly. We will get into questions, but I want to give you the opportunity to make some introductory remarks on recent activities and developments.

[128] **Mr Vaughan:** I will start. We have votes at 12.00 p.m. so we need to leave in about 15 minutes, unfortunately. Concentrating on the 2011 budget for the EU and the new financial perspective from 2013 to 2020, the big discussion for us is the future of structural funds. By now you will be aware of our aims, which I think all four MEPs share, of ensuring that structural funds are available to all regions post-2013 that qualify, that transitional status is made available for regions that drop out of convergence, that competitiveness remains—there is some discussion about whether that should go—and that the European social fund remains within regional development and does not go over to employment, as has been suggested. That would mean that the ESF grants would go to sectoral projects rather than geographical areas.

[129] So, we are arguing that, given the way things are going, we think that things are moving our way. We are awaiting the fifth cohesion report, which will be published in November. So, although things are going our way, we, as four Welsh MEPs, intend to keep up the pressure. I have no doubt that you will want to do the same. There are some opportunities to do that. Barroso is visiting Wales for the Ryder Cup in the next week or so, so we hope that there will be an opportunity to have some discussion with him there. We know that the Welsh Assembly Government Ministers are meeting regularly with the commissioners to put their case. We have established our own cohesion group within the Parliament, made up of MEPs from right across Europe who are interested in structural funds. We have made some progress there.

[130] Commissioner Hahn, who is responsible for regional development, has asked for a meeting with us. Lewandowski, the budget commissioner, has agreed to come to talk to us at our next meeting in a week or so. So, again, we will have the opportunity to press the case for the future of structural funds. That is very much our focus at the moment, not forgetting the other funds that are available and important to Wales, such as FP7, soon to become FP8, the rural development plan funding and so on. So, there are lots of things going on, but I am focusing very much on the budget side.

[131] **Rhodri Morgan:** Thank you, Derek. Jill?

[132] **Ms Evans:** Derek has covered most of the issues to do with structural funds. We can all be very pleased with the way that the lobbying is going and the way that we are all working in partnership on this at all levels, including local authorities, which have been very active. There will be a discussion on the draft motion on cohesion policy after 2013 in the regional committee next week—although I am not on that committee—and there will be a discussion and oral questions in the plenary on 7 October. So, things are happening all the time, and we are raising these issues wherever we can. As Derek said, President Barroso is going to be in Wales. This is a real opportunity for us. I know that you have an event where you will be showcasing some of the projects funded by structural funds in Wales, but this is an opportunity to really convince him that we are right on this issue.

[133] On other more general matters, we have just had a summit and the state-of-the-union address a couple of weeks ago. Some issues that affect Wales will be coming up in plenary this week. One relates to article 174 of the treaty, on the social development of mountain regions, islands and sparsely populated areas. That would affect us if the criteria for funding in those areas were changed and if they made those specific areas for funding. So, we have been following that.

[134] Last week, I chaired the opening session of a conference on a GM-free Europe, which was attended by more than 300 largely regional authorities, but not exclusively, throughout Europe. Wales, of course, has been represented at this conference in the past. Commissioner Dalli came to speak at the conference where he presented his proposals for handing back the decision on growing GM crops to the member states. That has obvious implications for us in Wales because the policy in Wales has always been different from the UK policy, so we need to be aware of that, I know that Elin Jones is, and I am sure that all of you are, looking at developments on that. There is a consultation under way at the moment.

[135] I also have a meeting next week with representatives of the European Commission to discuss cross compliance in relation to the electronic identification of sheep. That is because of the concern that farmers in Wales will be penalised if they are found to be not in compliance with the tagging legislation, and they will lose their single farm payments or will see a reduction in it. I think that Andrew Aggett, from the Welsh Assembly Government office in Brussels, will also attend that meeting.

[136] Derek and I had a good meeting last week with the Assembly's Rural Development Sub-committee in Brussels. That was very productive, as are these meetings. The only other point that I would make is that, from looking at the agenda and the notes of the meetings, I think that many of these discussions look very interesting for us as MEPs, and so, in future, rather than our having one slot where we discuss our work, I would like for us to be able to join in with the discussions on more general issues.

[137] **Rhodri Morgan:** All right. I will turn to Jeff Cuthbert now because he has to leave early, and then I will go to Rhodri Glyn.

[138] **Jeff Cuthbert:** Before we began this discussion with you, we had a session with the



UK's permanent representative, and I want to put the same broad point to you and I would welcome your response, as politicians. There was an open day in Llandrindod Wells yesterday, organised by the Welsh Local Government Association—indeed, a video message from Derek was played at that event. My question is on the roughly €1 trillion that have been put aside to support the eurozone to help to deal with the impact of the current economic situation in Greece, with €0.75 trillion coming from the EU itself. What impact is that likely to have on the future level of cohesion funding? I appreciate the lobbying that is going on about maintaining it, but will the overall economic situation have a significant impact, and will it lead to, or bring pressure to bear for, a change in the 75 per cent threshold for convergence funding? Do you have any feel for that at this time?

[139] **Mr Vaughan:** The package that was put together was substantial but was largely funded by member states and the International Monetary Fund. The only contribution asked for out of the EU budget was €60 billion, which sounds like a lot of money, but that would be used only if certain member states decided that they needed a loan. At the moment, the feeling is that that funding will not be required by certain member states. However, just in case, a token entry has been made in the 2011 budget. In other words, an entry has been made but no money allocated to that particular budget line, because it is not felt that the money will be called down. If it is called down, the €60 billion has to be found, which might have an impact on other programmes. As things stand, it is not foreseen that it will have an impact on structural funds or anything else.

10.50 a.m.

[140] **Rhodri Glyn Thomas:** Yr oeddwn yn falch o gael cyfarfod â Derek a Jill, yn ogystal â Kay Swinburne, yr wythnos diwethaf. O ran pwynt Jill am organeddau a addaswyd yn enetig, cawsom gyfarfod gyda Dorothee André, ac fe'i gwnaeth yn glir iawn y byddai modd i Gymru fabwysiadu safbwynt gwahanol a gweithredu'n wahanol pe bai sefyllfa'n datblygu lle yr oedd gan y Deyrnas Unedig farn wahanol arnynt. Dylai'r pwyllgor hwn, mewn cydweithrediad ag Aelodau Ewrop, gadw golwg manwl ar hynny.

**Rhodri Glyn Thomas:** I was pleased to get to meet Derek and Jill, as well as Kay Swinburne, last week. On the point that Jill raised on genetically modified organisms, we had a meeting with Dorothee André, and she made it very clear to us that it would be possible for Wales to adopt a different position and to act differently if the situation arose in which the United Kingdom held a different view on GMOs. This committee, in collaboration with European Members, should keep a close eye on that.

[141] **Ms Evans:** I am pleased to hear that, but that is not clear from the European Commission's proposal as it stands. As you say, Rhodri, we will have to watch that closely and ensure that that is made very clear. Even if that is the case, there are still dangers if this new legislation goes ahead—but that is a wider issue.

[142] **Eleanor Burnham:** Yr wyf yn eithaf newydd, ac edrychaf ymlaen at gwrdd â chi pan ddeuwn i Frwsel yn y man.

**Eleanor Burnham:** I am quite new to this committee, and I look forward to meeting you when we will come to Brussels soon.

[143] In his state-of-the-union speech, President Barroso said that there is a move towards having a 10-year framework with a five-year mid-term review. Are you of the same opinion?

[144] **Mr Vaughan:** There are arguments always. Currently, the duration of the financial perspective is seven years, which causes us some problems, mainly because it does not tie in with the mandate of the European Parliament. The policy of the Parliament for a long time has been to have five-year financial perspectives. The problem with that is that it would mean having programmes such as structural funds over a five-year period and, as we know, they

take a long time to put together and to implement. So, his suggestion is that we have a 10-year programme, made up of five plus five. That is an interesting proposal, and I would be happy to look at it.

[145] **Ms Evans:** I agree. I think that we should look at that, because it has caused us problems in the past. Generally, on the speech that Mr Barroso made, we were all waiting for a much clearer vision of how Europe would move forward with cohesion policy and other issues, and we did not get that, but, on that issue, I think that there will be an interesting debate. Again, we in the European Parliament and the Assembly all need to have the same view, if that is possible.

[146] **Mr Vaughan:** The other interesting thing that he said on the budget related to taking a look at how the EU is funded. Currently, about 70 per cent of the money that the EU has comes from member states, 15 per cent comes from VAT resources, and only 15 per cent comes from the EU's own resources, such as customs and excise and so on. So, we have suggested that we take a look at that and perhaps increase the amount that the EU raises itself. That will be an interesting debate, if we get to it.

[147] **Rhodri Morgan:** The next question is from me. I want to replay to you—not physically, but from my memory—the questions and answers that I put to Sir Kim Darroch, the head of UKREP, half an hour ago when we had a video-conference with him over in Brussels. I asked whether it was fair to summarise the UK Government's position on the future of structural funds roughly as follows. Whereas the UK Government would like to give serious consideration to terminating competitiveness funding altogether and possibly going for the repatriation of responsibility so that wealthy member states look after their own less wealthy regions, it had support only from some small member states such as the Netherlands, Sweden and Denmark, and did not really have any support from any big net-payer member states like Germany. As a result, the pragmatic approach that it could take would be to see what it could do to trim back regional, structural, or cohesion-type expenditure. However, it could not go for the big-bang approach because it just does not have enough support, unless it can peel away Germany—and it does not look as though there is any chance of that. Kim Darroch replied that it is all to play for, we should be getting on with our lobbying as much as possible in Wales and not wait for things to wash over us, and we should get stuck in there and lobby. He said that in 18 to 24 months' time, we could be in the scenario described, but it is far too early to say at present.

[148] Derek, you said that you thought that things were moving our way. Do you mean by that that the Germans are proving not to be willing recruits to the UK Government's position, and if the Germans do not move on that as a big net payer, the British do not have any hope of what you might call the agenda of repatriation, terminating competitiveness funding and so on?

[149] **Mr Vaughan:** That sums it all up very well. You are certainly right about the UK Government's position. I am pretty certain that, when the time comes, it will be arguing to re-nationalise structural funds, because its argument is why send money to Europe only to have it sent back, but that, of course, would not do much good for Wales. I think that it is likely to turn its back on European funding, and I think that it will be done mainly in England. You will be aware that it is scrapping the research development agencies. A large amount of match funding will have gone through the RDAs, so, if they are not there, there will be no bodies to provide match funding for projects. Therefore, England in particular will perhaps not draw down European structural funds in the future. So, the Government may be quite cute about how it intends to achieve savings on that.

[150] On the position of other member states, I think that you are right. Certainly with the Socialist group, we are not detecting any appetite in Germany to re-nationalise structural

funds. The allies of the UK that you mentioned were the allies that it may get—but possibly not any more.

[151] **Rhodri Morgan:** Jill, do you want to add anything to that?

[152] **Ms Evans:** Only that I have not picked up any vibes on that. There seems to be very little support, certainly among Members of Parliament and the political groups.

[153] **Rhodri Morgan:** Iawn. Diolch yn fawr iawn am eich cyfraniad heddiw. Byddwn yn anfon copi o'r trawsgrifiad drafft atoch chi er mwyn ichi gywiro unrhyw beth nad yw'n gywir. **Rhodri Morgan:** Okay. Thank you very much for your participation today. We will send a copy of the draft transcript to you so that you can correct any inaccuracies.

[154] I think that this is the first time that we have had a video link with Strasbourg, so that is a first for this committee. Members of the committee will wish to note papers 5, 6, 7 and 8, and the minutes of the previous meeting. The next meeting will be on Tuesday, 5 October, when the ambassador of the Kingdom of Belgium will update the committee on the progress of the priorities of Belgium's presidency of the European Union.

[155] Diolch yn fawr iawn i bawb am eu presenoldeb heddiw ac am eu cyfraniadau. Thank you very much to you all for your attendance today and for your contributions.

*Daeth y cyfarfod i ben am 10.58 a.m.  
The meeting ended at 10.58 a.m.*