

European And External Affairs Committee

EUR2 05-05(p7)

Date: 16 June 2005

Time: 9.00 – 12.30

Venue: National Assembly Building, Cardiff Bay

Title: Draft Annual Report April 2004 – March 2005

Purpose of paper

To invite the Committee's views on the attached draft Annual Report for 2004-5.

Members are invited to comment on and propose amendments to the draft report attached.

Sandy Mewies Chair

European And External Affairs Committee

Report To The Assembly For 2004-2005

Introduction

1 Standing Order 15 states that the European and External Affairs Committee shall report to the Assembly from time to time. This report covers the period 1 April 2004 to 31 March 2005.

Membership

2 During the year membership was:

Nick Bourne	Ieuan Wyn Jones
Rosemary Butler	Sandy Mewies (Chair)
Christine Chapman, until 25 Jan 2005	Jonathan Morgan
Jeff Cuthbert from 25 Jan 2005	

Michael German	Rhodri Morgan
Christine Gwyther	Rhodri Glyn Thomas

Meetings

3 During the period the Committee formally met 8 times. All meetings were held in public.

Remit and Responsibilities

4. The statutory basis for the European and External Affairs Committee is set out in Standing Order 15 which is reproduced at Annex B.

5. The Committee's remit is to keep under review:

(i) the Assembly's relations with the regions, other nations and institutions of the European Union, and its methods for informing and advising those institutions of the needs of Wales;

(ii) the Assembly's liaison arrangements with UKREP, and with United Kingdom government departments on European issues;

(iii) the Assembly's methods and procedures for the consideration of documents, issues and questions emanating from European institutions, having particular regard to the need for liaison with Members of Parliament responsible for scrutiny of European matters of particular relevance to Wales; and

(iv) the Assembly's relations with regions and nations external to the European Union and the Assembly's involvement in European and international organisations.

Inevitably most of the Committee's activities relate to more than one of the categories above.

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

Summary of Committee Activities

7. The Committee's main activities have focused primarily on issues in relation to the European Union but the committee recognises that its remit goes wider than this and has tried to ensure that a proper balance is maintained in its work programme. The main activities during the year are summarised below.

European Structural Funds and Cohesion Policy

8. The Committee has been kept up to date on developments in relation to the structural funds primarily through the First Minister's report. However, it received a specific paper setting out the new structural funds regulations at its meeting in October. A particular concern on which the Committee has focused its attention has been the basis on which the designation of areas for support will be made and, in particular, the timing of this decision which will affect the outcome for Wales. This remains an issue of crucial importance to Wales

European Regional Policy

9. Many of the issues relating to the structural funds also impact upon the development of European regional policy as similar statistics are used for the designation of areas able to receive assistance. During the year the Committee considered the alternative approaches to drawing the Assisted Areas Map and received briefings on the various approaches that could be adopted and the effect these would have on the spread of support that might be offered in Wales.

The Lisbon Strategy

10. One of the main challenges facing the EU is its 10 year strategy to become 'the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion and respect for the environment'. This is a key policy at a time when increases in both the competition from outside Europe and in the proportion of elderly people in the population will place serious pressure to the economy of Europe. The Committee discussed the issues with officials from the UK Government both at the Treasury and the DTI. This was a valuable discussion at which the Committee also discussed with the First Minister the part that Wales will play in this strategy. This is an issue the Committee will return to when the UK has more specific proposals and Wales's part within these can be more clearly set out.

Preparations for the Euro

11. The Committee has received periodic reports on the plans for the introduction of the Euro, if agreed, from the First Minister and also held a discussion with officials from the Wales Office which is responsible for the Wales Euro Preparations Committee. Officials from the Treasury's Euro Preparations Unit joined the meeting and gave members a broad perspective on the work being done to facilitate the introduction of the Euro within the UK.

EU Constitution

12. There have been relatively few developments during the year with the proposed European constitution which now waits on a series of referenda and the decision processes in EU member states.

Nonetheless, the Committee received an update from the First Minister on this important issue and will return to it in due course.

EC Commissioner

13. The Committee has invited the new UK European Commissioner, Peter Mandelson, to meet it and, while he has agreed to this in principle, it has not yet been possible to find a suitable date.

EU Presidency

14. The Committee tries to hold discussions with the country taking on the Presidency of the EU shortly before their term of office begins. This has provided an opportunity to talk directly to representatives of that country about their policies and priorities for the coming year. Unfortunately, it was not possible to arrange such a discussion with representatives of the Netherlands, who held the Presidency in the second half of 2004. However, the Committee was delighted that his excellency M. Jean-Louis Wolzfeld Ambassador of the Grand Duchy of Luxembourg came to talk to them about their plans for their Presidency in the first part of 2005. This provided a valuable insight into the issues facing the European Union and also those of a small country during its terms of Presidency.

15. The Committee has had progress reports from the First Minister on the UK's plans for the Presidency in the second half of 2005 and has extended an invitation to the Secretary of State for Foreign and Commonwealth affairs to meet the Committee to talk about this.

Relations with other European Countries

16. The Committee has received regular reports from the First Minister on relations with other European countries. In particular, the Committee requested a report on progress in establishing relations with Latvia and Silesia and was delighted that Andris Taurins, Honorary Consul to Latvia, joined the meeting. The Committee also considered a report on the October meeting of the British, Irish Inter Parliamentary body.

17. The Committee has discussed the progress being made in relation to the enlargement of the European Union and, in particular, the issues faced in relation to Turkey's application for membership. While the Committee recognised that Turkey faced major hurdles before it could gain EU membership it considered there was no fundamental barrier to this and, subject to the concerns about issues such as Democracy and Human Rights, would welcomed their application for membership.

Wider External Relations

18. The Committee considered the Welsh Assembly Government document 'Wales, A World Nation – A Strategic Framework' which set out the principles which guided the Welsh Assembly Government's

activities and priority for its external relations. While the Committee initially had views on the way this was presented, they broadly welcomed the approach and the document which was subsequently revised. The Committee stressed the importance of Wales continuing to be ambitious in growing its international reputation.

Scrutiny of EU Legislation

19. The Committee continues to be concerned about the way that EU legislation is scrutinised by Committees and, in previous years, adopted an approach of considering at each meeting a list of all EU documents deposited in the UK parliament since the previous meeting. A similar approach had been recommended to, and adopted by, Subject Committees. The Committee continues to be concerned about the need to identify developments as early as possible so that, where possible, Wales' views can be fed in at a stage where they are most likely to influence the outcome. Following a review of the previous system it, this year, proposed that the development of scrutiny processes would be enhanced if Committees focused their attention on the European Commission's annual programme which allowed them to identify at an earlier stage the proposals most likely to affect Wales. These proposals were considered and accepted by the Panel of Chairs and Subject Committees adopted this approach for the EC work programme released in early 2005. The European and External Affairs Committee also considered the work programme identifying a number of issues on which it wished to focus during the year which will be reflected on its Forward Work Programme.

Reports from Subject Committee Chairs

20. The Committee continued to receive reports from Subject Committee Chairs about the way in which European issues were considered by their respective Committees. This cycle of meetings has now concluded but the Committee may return to this in due course.

External Organisations

21. During the year, the Committee received a paper from the European Centre for Training and Regional Co-operation (ECTARC) who spoke about their work to develop vocational and language training abroad. The Committee welcomed warmly this work noting that there was a need for more Welsh people to be involved with European organisations and that the key to this was the development of language skills.

22. The Committee also received a report on the Congress of Local and Regional Authorities of the Council of Europe (CLARE) telling them of the work that the congress does and its objectives.

Relations with other UK Parliamentary and Assembly Committees

23. Periodic meetings are held between the Chairs and Clerks of the European Committees of the

Westminster Parliament and the devolved administrations. One of these meetings was hosted by the Welsh Assembly in Cardiff in January and attended by the Chair and Clerk of EEAC as well as representatives from the House of Commons and House of Lords. A representative from Northern Ireland, whose Committees are currently in suspension, also attended. Unfortunately, transport difficulties at the last minute prevented the Scottish Parliament's representatives from attending

24. It was noted in this meeting that all the Committees found the task of handling the vast amount of EU legislation a major challenge and there was a strong willingness to work together to share knowledge and expertise and help identify priorities.

25. The Committee also during the year wrote to the Chair of the Select Committee on modernisation of the House of Commons supporting the proposals for a proposed 'European Grand Committee' which would include representatives from the National Assembly for Wales and other devolved administrations. The Committee was disappointed that the conclusion of the Modernisation Committee was not to pursue this for the time being.

26. The Committee also took part in a pilot exercise in relation to the Subsidiarity Early Warning System that was launched by COSAC.

Report on the EU Services Directive

27. During the year concern was expressed by Members about the proposed EC Directive on Services in the Internal Market. Particular concerns related to the impact of this on health and pharmaceutical services and the Committee subsequently invited evidence from the British Medical Association (BMA) Wales, Community Pharmacy Wales (CPW), The Confederation of British Industry (CBI), Wales and the Wales TUC. The Committee also received a paper from the Alliance of UK Health and Social Care Regulators on Europe. The conclusion of this consideration was that the Committee prepared a report which it formally submitted to the European Commission, the Welsh Assembly Government and Welsh MEPs. This is the first time the Committee has taken evidence on an issue of this nature and has published a report in this way. The Committee is keen to do this again if a suitable issue is identified.

Committee of the Regions

28. One of the Committee's members, Rosemary Butler AM, is a full member of the Committee of the Regions (COR). Janet Davies AM is an 'alternate' member and attends the Committee as a Standing Invitee to provide a regular report on COR activities. Both have kept the Committee fully informed on issues on the work of the Committee of the Regions and on issues that are relevant to Wales and the Committee.

Sandy Mewies AM
Chair

Annex B

National Assembly European And External Affairs Committee

extract from Standing Orders

STANDING ORDER 15 - Committee on European and External Affairs

Title and Terms of Reference

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

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

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

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

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

Membership

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

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

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

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

Reports

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