National Assembly for Wales Constitutional and Legislative Affairs Committee

Wales' role in the EU decision-making process

March 2014



Cynulliad Cenedlaethol Assembly for Cymru Wales

National

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#### **Remit and Powers**

The Constitutional and Legislative Affairs Committee was established on 15 June 2011 with a remit to carry out the functions and exercise the powers of the responsible committee set out in Standing Orders 21. This includes being able to consider and report on any legislative matter of a general nature within or relating to the competence of the Assembly or the Welsh Ministers.

#### Current Committee membership



**David Melding (Chair)** Deputy Presiding Officer Welsh Conservatives South Wales Central



Suzy Davies Welsh Conservatives South Wales West



**Julie James** Welsh Labour Swansea West



**Eluned Parrott** Welsh Liberal Democrats South Wales Central



**Simon Thomas** Plaid Cymru Mid and West Wales

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## The Committee's Recommendations

**Recommendation 1.** We recommend that the Welsh Government conducts a regular review of its use of 'soft' diplomacy to ensure that it is focused on achieving its strategic vision and goals for EU affairs (see recommendation 12) and maximising the effectiveness of its presence in Brussels. (Page 16)

**Recommendation 2.** We recommend that the co-location of key organisations within a Welsh presence in Brussels is continued but that the range of organisations participating is strengthened by the addition of representatives from the business and third sectors. We believe that the Welsh Government should proactively support and encourage this change. (Page 17)

**Recommendation 3.** In line with recommendation 2, we recommend that the Welsh Government maintains its presence in Brussels but that it strengthens its role as suggested in paragraphs 38 and 39 and provides more leadership to Welsh organisations by adopting a more strategic and coordinating role (as suggested in paragraphs 41 and 42). (Page 18)

**Recommendation 4.** We recommend that the Welsh Government continues to place a high priority on its involvement in the preparation of the UK speaking note for Council meetings but, in addition, clarifies how systematic and proactive its involvement is in its preparation across all policy dossiers that relate to devolved matters. (Page 22)

**Recommendation 5.** We recommend that the Welsh Government raises with the UK Government the way that Whitehall departments and Welsh Government departments work together on EU policy areas in devolved areas and writes to this Committee with details of the UK Government's response. (Page 24)

**Recommendation 6.** In order to monitor their effectiveness, we recommend that the Welsh Government makes an annual statement on its view of how the Memorandum of Understanding and JMC (Europe) are functioning. (Page 24)

**Recommendation 7.** We recommend that the Welsh Government reviews its approach to engaging with Welsh MEPs and in so doing, takes account of paragraph 75 of this report. (Page 26)

**Recommendation 8.** We recommend that the Welsh Government, for all relevant UK Government Explanatory Memoranda on EU policy proposals, issues a statement (or other document) setting out its observations on the policy matters covered. (Page 27)

**Recommendation 9.** We recommend that the Assembly Member representatives on the Committee of the Regions lay a written statement before the Assembly periodically outlining the work that the Committee has undertaken. (Page 29)

**Recommendation 10.** We recommend that the Welsh Government clarifies its relationship with Welsh members of the European Economic and Social Committee and also that it ensures that an appropriate level of support is provided to them to ensure that they are fully briefed when representing Wales in their discussions. (Page 29)

**Recommendation 11.** We recommend that the Welsh Government and UK Government explore ways of speeding up the process of appointment of new members from Wales to both the Committee of the Regions and European Economic and Social Committee. (Page 29)

**Recommendation 12.** We recommend that the Welsh Government reviews and revises its EU strategy as soon as possible, taking account of all the recommendations and views expressed in this report. This should be undertaken in an open and inclusive way, formally consulting all relevant organisations to ensure that the wealth of knowledge and interest in Europe that exists in Wales is taken into account. (Page 32)

**Recommendation 13.** We recommend that an annual debate is held on the EU strategy in a plenary session of the National Assembly to coincide with the annual statement referred to in recommendation 6. (Page 32)

## 1. Introduction

### The Committee's remit

1. The remit of the Constitutional and Legislative Affairs Committee ("the Committee") is to carry out the functions of the responsible committee set out in Standing Order 21<sup>1</sup> and to consider any other constitutional or governmental matter within or relating to the competence of the National Assembly for Wales ("the Assembly") or the Welsh Ministers.

2. Within this, the Committee considers the political and legal importance and technical aspects of all statutory instruments or draft statutory instruments made by the Welsh Ministers and reports on whether the Assembly should pay special attention to the instruments on a range of grounds set out in Standing Order 21.

3. The Committee also considers and reports on the appropriateness of provisions in Assembly Bills and UK Parliament Bills that grant powers to make subordinate legislation to the Welsh Ministers, the First Minister or the Counsel General.

#### Terms of reference

4. On 18 March 2013, we agreed to hold an inquiry into Wales' role in the EU decision-making process. The terms of reference were as follows:

- The Committee may:

- take expert evidence on how Welsh interests in devolved areas are currently represented in the EU decision-making process;
- consider whether the current arrangements enable Wales to have an effective voice in the EU;
- consider how Welsh interests are being incorporated into the UK Government's current 'Review of the Balance of Competences between the UK and the European Union'; and
- make recommendations, if appropriate, regarding how Welsh interests in devolved areas are taken account of in the EU.

5. From the outset we were clear that the purpose of the inquiry was to consider how Wales' interests are represented and how its voice is heard in

<sup>&</sup>lt;sup>1</sup> National Assembly for Wales, *Standing Orders of the National Assembly for Wales*, December 2012

the EU decision-making process (rather than a more general discussion about the UK's membership of the European Union).

#### Evidence

6. We issued a call for written evidence on 16 May 2013 and details of the responses received are listed at Annexe 1.

7. We also held 10 oral evidence sessions and supplemented this evidence gathering with two Committee visits to Brussels in June and October 2013. Details are available at Annexe 2.

8. The vast majority of evidence was taken in respect of the activities of governments (rather than legislatures) and so the report is predominantly focused on the Welsh Government's role in the EU decision-making process. As such, it does not cover in detail the work of the Assembly on EU affairs (which includes the legislature-to-legislature contact with MEPs) or that of other Welsh bodies and organisations.

- 9. In this report the following references are used:
  - the First Minister, The Rt Hon Carwyn Jones AM, "the First Minister";
  - the Minister for Natural Resources and Food, Alun Davies AM, "the Natural Resources Minister";
  - the Scottish Government's Cabinet Secretary for Culture and External Affairs, Fiona Hyslop MSP, "the Scottish Minister";
  - the UK Minister of State for Europe, The Rt Hon David Lidington MP, "the UK Minister".
- 10. A glossary of terms used in this report is set out below:
  - the **Committee of the Regions** is a political assembly comprised of representatives from local and regional authorities across the European Union ('EU') that is consulted on EU policy development and EU legislation relevant to the local and regional level. It is an advisory body and consulted in the EU decision-making process. Wales has four representatives within the UK delegation of 48 (24 full and 24 alternate Members): two from the Assembly and two from the Welsh Local Government Association.
  - the **Council** (sometimes referred to by witnesses as the "Council of Ministers") is the main decision-making body in the EU, representing the national governments. Sometimes it votes by qualified majority

voting, sometimes by unanimity, depending on the issue. Relevant portfolio-holding Ministers of all the Member States meet according to the subject under discussion eg Finance Ministers.

- the European Economic and Social Committee is an advisory body of the EU and is consulted in the EU decision-making process. It was set up to represent the interests of the various economic and social groups. It consists of a maximum of 350 members from civil society, with 3 Welsh members in a contingent of 23 UK members.
- the **European Commission** is the EU's executive body. The European Commission's main roles are to:
  - (i) set objectives and priorities for action;
  - (ii) propose legislation for adoption by the European Parliament and Council;
  - (iii) manage and implement EU policies and the budget;
  - (iv) enforce European Law (jointly with the Court of Justice); and
  - (v) represent the EU outside Europe (e.g. negotiating trade agreements between the EU and other countries).
- the European Council (which since the Treaty of Lisbon is a separate EU Institution bringing together the 'Heads of State and Government') is responsible for setting the political priorities and direction of the EU, as well as agreeing Member States' positions on key issues such as the Multi-annual Financial Framework, agreeing any Treaty changes etc. However, it does not have any powers to make laws, and the day-today work of law and policy-making is undertaken by the Council, representing the Member State governments.
- the **Court of Justice of the European Union** ensures compliance with the law in interpreting and applying the Treaties. It comprises one Judge per Member State and eight Advocates-General.
- the **European Parliament** is the only directly elected body in the EU. It comprises 766 Members (MEPs), drawn from the 27 EU Member States. MEPs are elected every five years. Wales has four of the 73 MEPs from the UK. Since the Treaty of Lisbon, the European Parliament has become a co-legislator on most legislation adopted by the EU. It also has budgetary powers and exercises democratic controls over all the European institutions.

- Horizon 2020 is the EU's Research and Innovation programme for 2014-2020, with a budget of approximately €80 billion.
- the **Joint Ministerial Council** (JMC) is established by the Memorandum of Understanding between the UK and devolved governments. Its purpose is to provide central coordination of the overall relationship between them. Its terms of reference cover issues straddling the devolved/non-devolved boundaries. **JMC (Europe)** is one of three JMC formats. It is chaired by the Foreign Secretary, prior to each European Council meeting, which are usually held four times a year. It acts as the forum for the exchange of information and the discussion of strategic or cross-cutting issues where there is a devolved government interest.
- the **Memorandum of Understanding** comprises a series of agreements between the UK Government and the devolved governments. It contains a Concordat that deals with the co-ordination of EU policy and implementation.
- European Parliamentary reports prepare the Parliament's position on policy proposals. **Rapporteurs** are MEPs chosen from within the appropriate Parliamentary committee to prepare the report. The Committee of the Regions also has its own rapporteurs.
- the Treaty of Lisbon is an international agreement which amends the two treaties which form the constitutional basis of the European Union. It was signed by the EU Member States on 13 December 2007 and entered into force on 1 December 2009.
- Trilogues are informal tripartite negotiations attended by representatives of the European Parliament, the Council and the European Commission aimed at finding compromise agreements on draft legislative proposals. Agreements reached in trilogues have no formal status and any compromise texts agreed must be formally adopted through the processes set out in the Ordinary Legislative Procedure in order to become law.
- UK Government Explanatory Memoranda (EMs) are prepared by the relevant UK Government department to accompany each official document published by the European Commission. They set out the UK Government's views on the financial, legal, subsidiarity and policy implications to the UK of European Commission documents, and any further relevant information, such as whether the document is awaiting further consideration by other European Community bodies. The EM is then subject to the European scrutiny procedures of each House of

Parliament. The EM must be produced within 10 days of depositing the document in Parliament.

- the United Kingdom Permanent Representation to the European Union (UKRep) represents the UK in negotiations that take place in the EU.

# 2. Background

11. This section briefly sets out how Wales 'fits' within the EU decisionmaking process, as well as the role played by the Welsh Government, the Assembly and other bodies seeking to exert influence.

12. Three EU institutions—the European Parliament, the Council and the European Commission—are primarily responsible for the policies and laws that apply throughout the EU. The Ordinary Legislative Procedure (called the 'Co-decision Procedure' prior to the Treaty of Lisbon) is the main mechanism through which laws are made at EU level for most policy areas. A schematic diagram demonstrating the process is set out at Annexe 3. The European Council is responsible for setting the political priorities and direction of the EU but does not have any powers to make laws.

13. The European Commission is the central player in the policy and legislative process. As the EU's 'executive arm', the guardian of the EU treaties, it is the primary initiator of policy and legislative proposals. It undertakes extensive consultation and preparation before publishing proposals, providing the opportunity for external stakeholders to contribute in the policy-formulation process. Under the Ordinary Legislative Procedure, the European Parliament and Council, as co-legislators, discuss, debate, and may propose amendments to proposals presented by the European Commission, with the ultimate aim of reaching agreement on a final compromise text that is acceptable to all three institutions, and which can be formally adopted as EU law. The European Commission and the Member States are then responsible for implementing EU laws, and the European Commission is tasked with ensuring that laws are properly applied and complied with on the ground. Another institution, the Court of Justice, resolves disputes relating to that application and implementation.

14. The Assembly, Welsh Government and other Welsh stakeholders engage regularly with the European Commission, particularly on agriculture and rural development, environmental policy, fisheries and maritime affairs, and regional policy and the Structural Funds.

15. As Wales is not a Member State, it has no direct role in relation to the EU's two main 'governmental' institutions—the Council and the European Council. The Prime Minister represents the UK on the European Council, while UK Government Ministers and officials represent the UK on the Council. UKRep supports this work and the Whitehall departments lead in the day to day work relating to the Council.

16. Although Welsh Ministers and officials can, and do, participate as part of the UK delegation to Council meetings, the voice at the table is a UK voice. Therefore, at the governmental level, Wales has an 'indirect voice'; its interests are represented through the UK line and its scope to influence (formally in Council) is contingent on the ability of Welsh Ministers and officials to shape the UK negotiating position.

17. As a result, the Welsh Government (and Assembly) have an obvious interest in how UK interests are defined and formulated in the first place, i.e. the processes by which an agreed 'UK position' is reached by UK Ministers and Whitehall Departments. The degree and extent to which devolved governments participate in this and are able to influence and shape this position is crucial.

18. In relation to EU policies in devolved areas, the Welsh Government currently interacts with the UK Government within the framework of the Concordat on Co-ordination of European Policy<sup>2</sup>, which states that the UK Government will provide "upstream opportunities" for the devolved governments to influence EU proposals at an early stage. Together with the JMC (Europe) it emanates from the Memorandum of Understanding<sup>3</sup> between the UK Government and the devolved governments. These discussions take place within the UK itself, rather than Brussels, and centre around the internal dynamics and relations within the UK.

19. A major theme of our inquiry therefore has been the extent to which the current non-statutory arrangements to manage relations between the UK Government and devolved governments provide an appropriate structure in which Ministers and officials can discuss and agree formal positions to be used in EU negotiations; and whether they need to be superseded by a more formalised structure.

<sup>&</sup>lt;sup>2</sup> A supplementary agreement to the Memorandum of Understanding; see footnote 3

<sup>&</sup>lt;sup>3</sup> Devolution: Memorandum of Understanding and Supplementary Agreements

*Between the United Kingdom Government, the Scottish Ministers, the Welsh Ministers, and the Northern Ireland Executive Committee*, October 2013

## 3. Consideration

#### Effective influence in Brussels

20. The evidence we have heard clearly demonstrates that good communication, an effective presence, the timing of engagement and strong personal contacts are crucial in order to gain influence in Brussels.<sup>4</sup>

21. In addition, we heard how vital it is for good working relationships to exist between the network of key players<sup>5</sup>—namely relevant EU institutions, Welsh Government departments (including its EU office in Wales House in Brussels), their devolved counterparts and, just as importantly, UK Whitehall departments—as the quality of such relationships can greatly influence the effectiveness of input into the decision-making process.<sup>6</sup>

22. Clearly there is a need to entrench a culture of co-operation across the various networks and operations that exist in Brussels (particularly where there is a need to navigate the potential for personality clashes) to ensure that Wales gains maximum benefits from the UK's membership of the EU. Overall, we believe that good working relationships do exist and that these bring benefits to Wales and are likely to continue to do so. Nevertheless, there is always scope to improve the way these relationships work and to strengthen collaboration between partners with influence in the EU. For that reason, we believe it is important for the Welsh Government to take stock regularly to identify what has been successful and what has not, so that lessons can be learnt.

23. Evidence we received indicated that a good reputation in Brussels is based on establishing strong working relationships within the Commission and on demonstrating a willingness to engage.<sup>7</sup> However, it is not just the existence of good working relationships and networks that impact on the ability to influence; the timing of that engagement is also crucial.

24. We heard repeatedly that early engagement (which is welcomed by the Commission) provides an opportunity for sub-Member State parliaments to exert most influence and to be most effective, particularly by providing ideas and helping to shape policy proposals.<sup>8</sup> Early engagement was also viewed as

<sup>&</sup>lt;sup>4</sup> For example, Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>5</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>6</sup> Written Evidence, EU 3

<sup>&</sup>lt;sup>7</sup> Committee visit, 17 October 2013

<sup>&</sup>lt;sup>8</sup> Committee visits, 17 June 2013 and 14 October 2013; Constitutional and Legislative Affairs ('CLA') Committee, *RoP [paragraph 25]*, 18 November 2013

a means to focus on the wider policy-formulation process not just the formal decision-making process.<sup>9</sup>

25. David Hughes, Head of the European Commission's office in Cardiff, felt that the Welsh Government and Assembly were good and effective at getting access to key figures in the European Commission and European Parliament.<sup>10</sup> However, we also heard a view that both bodies could perhaps do more to identify proposals of interest at an early stage.<sup>11</sup>

26. In our view, acting on early intelligence and engaging early with the European Commission in formulating policy will ensure there is a better chance of draft proposals reflecting Welsh interests and concerns. We believe this approach is better than waiting for proposals to be published and then responding to them.

27. For that reason, we believe it is crucial to identify key priorities and to focus on them, recognising that it is not possible to cover everything in detail. We also believe therefore that the Welsh Government needs to have clear strategic goals and a clear strategy on how to deliver these goals, who to target and how to make most effective use of the resources at its disposal (in Brussels, in Wales and in London). Issues relating to the Welsh Government's strategic approach to the EU are considered specifically in a later section (see paragraphs 89 to 102).

28. As well as engaging early, a willingness to experiment and become involved in innovation and pilot policies and projects was also seen as an important way to have an influence in Brussels.<sup>12</sup> A similar point was made by Michael Keating, Professor of Politics at Aberdeen University, who referred to the benefits of good intelligence, prioritising activities in advance and being able to formulate clear ideas to feed into the policy process.<sup>13</sup>

29. It became apparent during our Committee visits, and from other evidence, that the Welsh Government exerts influence in two main ways:

 (i) by using 'soft' diplomacy outside the formal channels, through personal contacts and the use of networks (in particular by Welsh Government officials in Wales House); and

<sup>&</sup>lt;sup>9</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>10</sup> CLA Committee, RoP [paragraph 148], 18 November 2013

<sup>&</sup>lt;sup>11</sup> Committee visit, 14 October 2013

<sup>&</sup>lt;sup>12</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>13</sup> CLA Committee, *RoP [paragraph 63]*, 15 July 2013

(ii) more formally through 'hard' influence via the UK as a Member State voice in the Council and in JMC (Europe).

30. Considerable use is made of soft diplomacy and we believe that the Welsh Government and its representatives in Brussels are right to do so to ensure that Wales' voice is heard. The effectiveness of this approach has been demonstrated in relation to agricultural policy and Structural Funds.<sup>14</sup>

Recommendation 1: we recommend that the Welsh Government conducts a regular review of its use of 'soft' diplomacy to ensure that it is focused on achieving its strategic vision and goals for EU affairs (see recommendation 12) and maximising the effectiveness of its presence in Brussels.

31. In the main, the overwhelming evidence we received was that the informal system we refer to in paragraph 19 seems to work. However, it became clear that the onus is on the devolved governments to engage proactively in identifying their core interests and to raise their concerns through the structures provided.

32. The following sections of the report look at the issue of influence in greater detail and in the context of some of the existing structures already in place.

#### Wales House and the role of the Welsh Government's EU office

33. Wales House is the home of the Welsh Government's representation in Brussels, but also brings together a number of different organisations with EU offices in Brussels:

- National Assembly for Wales' EU Office;
- Welsh Local Government Association's Brussels Office; and
- Welsh Higher Education Brussels Office.

34. We met with officials from some of the representations based in Wales House during our first Committee visit on 17 June 2013 and were left with a positive impression; in particular, the emphasis on projecting Wales came through very strongly. Wales House is also seen by many as benefitting from

<sup>&</sup>lt;sup>14</sup> Committee visits, 17 June 2013 and 14 October 2013

an excellent location, with considerable value in bringing together representatives from Wales in one place.<sup>15</sup>

35. However, it was suggested to us that the presence of representatives from the third sector and business needs to be developed given that there appear to be gaps in the current set-up.<sup>16</sup>

36. In our view, there are considerable benefits arising from co-location of key organisations in Wales House. At the moment, however, we acknowledge that some key interests are not represented and so its scope is limited. We therefore consider that Wales House could be further improved by having a business and third sector presence, which we believe will be particularly important in the context of optimising Welsh participation in Horizon 2020 and a number of other EU programmes that require partnerships between organisations and businesses from different EU countries.

Recommendation 2: we recommend that the co-location of key organisations within a Welsh presence in Brussels is continued but that the range of organisations participating is strengthened by the addition of representatives from the business and third sectors. We believe that the Welsh Government should proactively support and encourage this change.

37. The feedback from organisations we spoke to in Brussels about the Welsh Government's EU office in Wales House was positive, referring to the professional approach of its staff, noting that it was well-respected and has established a good reputation in Brussels.<sup>17</sup>

38. The Welsh Government's representatives in Wales House play an active role in developing relationships and facilitating networks with other Brusselsbased representations.<sup>18</sup> It is clear that their presence is critically important to ensuring that the Welsh perspective is heard effectively in Brussels and influences debate within the European institutions. However, we did hear evidence suggesting some areas for improvement, for example more events to promote Wales<sup>19</sup> and doing more to pass on key messages in briefings to

<sup>&</sup>lt;sup>15</sup> Committee visits, 17 June 2013 and 14 October 2013; CLA Committee, *RoP [paragraph 161]*, 18 November 2013

<sup>&</sup>lt;sup>16</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>17</sup> Committee visits, 17 June and 14 October 2013

<sup>&</sup>lt;sup>18</sup> Committee visits, 17 June and 14 October 2013

<sup>&</sup>lt;sup>19</sup> Committee visit, 17 June 2013

the Welsh Local Government Association, and the Welsh higher education and business sectors.<sup>20</sup>

39. Linked to this and in terms of promoting Wales, we believe that the Welsh Government's representatives in Wales House offer the potential to play an active role in organising trade delegations at key times and should be encouraged to use their knowledge and expertise to enable this.

40. We consider that the Welsh Government's representatives in Brussels have laid the firm foundations necessary to ensure that a strong and coherent Welsh voice is heard in Brussels. However, given the uncertainty and debate around the future direction of travel of the EU over the next 5-10 years, the Welsh Government's representatives need to build on their success and be ready to adapt to the challenges that undoubtedly lie ahead.

41. In our view, the Welsh Government's representatives can achieve this in part by playing a more strategic and co-ordinating role for the organisations represented in Wales House, and in particular by encouraging, supporting and promoting their engagement in the opportunities presented by the range of new EU funding programmes (including Horizon 2020) for the period 2014-2020.

42. Part of such a co-ordinating role could involve bringing together on, a regular basis, the Welsh representatives in Brussels (MEPs, Committee of the Region members, European Economic and Social Committee representatives), Assembly Members, and a range of Welsh stakeholder organisations to discuss forthcoming European policy issues and priorities for Wales. This would provide a way for the expertise and knowledge that exists in Wales (and Brussels) to be pooled and used more effectively in seeking influence in European institutions.

Recommendation 3: in line with recommendation 2, we recommend that the Welsh Government maintains its presence in Brussels but that it strengthens its role as suggested in paragraphs 38 and 39 and provides more leadership to Welsh organisations by adopting a more strategic and co-ordinating role (as suggested in paragraphs 41 and 42).

#### Welsh voice in the Council and relationships with the UK Government

43. We sought to understand how the Council operates, how speaking rights are decided and what role the Welsh Government plays in the process.

<sup>&</sup>lt;sup>20</sup> Committee visit, 17 June 2013

As part of this, we considered the so-called Bridgend question, put forward by the First Minister and which was one of the key motivations for us in undertaking this inquiry. He first made reference to the Bridgend question in a speech in March 2012:

"It is worth also mentioning Europe ... we hear a lot about the West Lothian Question ... but there's a related question about Europe which I'm calling the Bridgend Question. Early in my ministerial career I spent many a long day and night, as Agriculture Minister, at the Council of Ministers. Now, there are 4 Agriculture Ministers in the UK and yet, at the Council of Ministers, the English Agriculture Minister casts a vote on behalf of all of us – whether the other 3 of us agree or not. Again, this seems increasingly unsatisfactory and unsustainable as time goes by ... a revised way of dealing with EU business should also form part of our wider debate about the UK's future."<sup>21</sup>

44. The Natural Resources Minister and his officials explained in some detail how the Welsh Government seeks to influence and negotiate on the UK line for Council meetings<sup>22</sup> and the contribution made to the speaking note.<sup>23</sup> While the Minister felt that speakers rights were being restricted at Council,<sup>24</sup> he also indicated that the ability to influence speakers had probably been strengthened because of work undertaken to develop the Memorandum of Understanding.<sup>25</sup> From his experience, too much depended on the personal goodwill and personal wishes of UK Ministers<sup>26</sup> (an issue also highlighted by the Scottish Minister<sup>27</sup>) and what was needed was a structured relationship<sup>28</sup>, where each other's expectations are understood,<sup>29</sup> enabling "us to get along—not when we agreed but when we disagree."<sup>30</sup> He felt this was in essence the point the First Minister was making regarding the Bridgend question.<sup>31</sup>

<sup>&</sup>lt;sup>21</sup> The Rt. Hon. Carwyn Jones AM, First Minister, Wales and the Future of the United Kingdom. *Speech to the Wales and the Changing Union Conference*, 30 March 2012

<sup>&</sup>lt;sup>22</sup> CLA Committee, *RoP [paragraphs 15-16]*, 8 July 2013

<sup>&</sup>lt;sup>23</sup> CLA Committee, RoP [paragraphs 80-85], 8 July 2013

<sup>&</sup>lt;sup>24</sup> CLA Committee, RoP [paragraph 20], 8 July 2013

<sup>&</sup>lt;sup>25</sup> CLA Committee, *RoP [paragraph 45]*, 8 July 2013

<sup>&</sup>lt;sup>26</sup> CLA Committee, RoP [paragraph 20], 8 July 2013

<sup>&</sup>lt;sup>27</sup> CLA Committee, RoP [paragraphs 45-46 and 65-68], 18 November 2013

<sup>&</sup>lt;sup>28</sup> CLA Committee, RoP [paragraph 20], 8 July 2013

<sup>&</sup>lt;sup>29</sup> CLA Committee, RoP [paragraph 45], 8 July 2013

<sup>&</sup>lt;sup>30</sup> CLA Committee, RoP [paragraph 65], 8 July 2013

<sup>&</sup>lt;sup>31</sup> CLA Committee, RoP [paragraph 56], 8 July 2013

45. In the Natural Resources Minister's view:

"... devolved administration Ministers should have the absolute right of attendance and it should be written in the concordat. I think we should have the right to speak where necessary, rather than the Secretary of State taking a view on that."<sup>32</sup>

46. In reaching this view, he was clear that in speaking in the Council it would be necessary to stick to the agreed UK speaking note,<sup>33</sup> a point echoed by the Scottish Minister<sup>34</sup> and during our Committee visits, when the importance of speaking with one voice and "not airing dirty linen in public" was continually emphasised.

47. The Scottish Minister also spoke of some frustrating experiences in relation to not being able to speak at Council<sup>35</sup> and explained that, even when sticking to the agreed line, the right to speak did make a difference where live discussion and negotiation was taking place.<sup>36</sup>

48. Professor Keating raised the question of whether a right of participation in the Council should be placed on a statutory footing<sup>37</sup>, noting that in some federal states in Europe, such as Germany and Belgium, rights of participation were written in the constitution.<sup>38</sup> In his view having such a binding right would "enhance the status of devolved administrations and give them a stronger position."<sup>39</sup> The Scottish Minister explained that the UK Government had not accepted such a proposal during the passage of the *Scotland Act 2012*<sup>40</sup> and stated that the "ship has long passed in relation to the legislative opportunity that there was recently …"<sup>41</sup>

49. When asked about devolved governments having an absolute right of attendance, the UK Minister explained that there was a distinction between attendance at the Council and taking the UK Chair<sup>42</sup>, drawing attention to

<sup>39</sup> CLA Committee, RoP [paragraph 30], 15 July 2013

<sup>&</sup>lt;sup>32</sup> CLA Committee, *RoP [paragraph 92]*, 8 July 2013

<sup>&</sup>lt;sup>33</sup> CLA Committee, *RoP [paragraphs 93–94]*, 8 July 2013

<sup>&</sup>lt;sup>34</sup> CLA Committee, *RoP [paragraph 59],* 18 November 2013

<sup>&</sup>lt;sup>35</sup> CLA Committee, *RoP [paragraphs 59–68]*, 18 November 2013

<sup>&</sup>lt;sup>36</sup> CLA Committee, *RoP [paragraph 71]*, 18 November 2013

<sup>&</sup>lt;sup>37</sup> Written Evidence, EU 4

<sup>&</sup>lt;sup>38</sup> CLA Committee, *RoP [paragraphs 22-24]*, 15 July 2013

<sup>&</sup>lt;sup>40</sup> CLA Committee, *RoP [paragraph 75]*,18 November 2013

<sup>&</sup>lt;sup>41</sup> CLA Committee, *RoP [paragraph 79]*, 18 November 2013

<sup>&</sup>lt;sup>42</sup> CLA Committee, *RoP [paragraph 85]*, 25 November 2013

changes to the Memorandum of Understanding in October 2013<sup>43</sup>, which provides a right of attendance, unless there is a compelling reason not to do so.<sup>44</sup> He added that:

"When it comes to going into the room, and taking the chair, there are both practical and constitutional issues involved. In practical terms, there is often only one chair, and there are always just a very limited number of seats in the room for the representing Minister and the supporting team. ... In constitutional terms, in most cases, the lead UK Minister concerned will, quite properly, want to be there and personally represent the UK position collectively, but we, as a matter of policy, have said that we will always look properly and sympathetically at requests by devolved Ministers to take the chair, where there is a genuinely good reason to do so. However, ultimately, that is a matter for the lead UK Minister to determine on the spot."<sup>45</sup>

50. While we therefore heard some evidence supporting to some extent the First Minister's view on the Bridgend question, we are not convinced that this is a major issue in practice, a sense we had from the comments of the First Minister during his evidence session. He felt it essential that there was a mechanism to get a line agreed<sup>46</sup> and acknowledged that if the JMC (Europe) is working well it could address most of the Bridgend question with a degree of goodwill amongst all parties.<sup>47</sup> We also heard evidence from the Natural Resources Minister indicating that JMCs are useful and important fora.<sup>48</sup>

51. The First Minister when asked about the suggestion of a more formal mechanism for communicating, said that given where the JMC (Europe) is at the moment, there was not a case for changing the mechanism.<sup>49</sup> Nevertheless, he felt that if the Memorandum of Understanding does not work and the UK Government begins to refuse attendance, then a statutory approach will be needed.<sup>50</sup>

52. Given the importance of the Council in the decision-making process, we recognise that the inter-governmental machinery within the UK in terms of

<sup>&</sup>lt;sup>43</sup> See Welsh Government, *Written Statement - Joint Ministerial Committee – Memorandum of Understanding*, 21 October 2013; the changes highlighted therefore occurred after the evidence of the Natural Resources Minister referred to in paragraphs 44 – 45.

<sup>&</sup>lt;sup>44</sup> CLA Committee, *RoP [paragraph 87]*, 25 November 2013

<sup>&</sup>lt;sup>45</sup> CLA Committee, RoP [paragraph 88], 25 November 2013

<sup>&</sup>lt;sup>46</sup> CLA Committee, RoP [paragraph 5], 2 December 2103

<sup>&</sup>lt;sup>47</sup> CLA Committee, RoP [paragraphs 17-18], 2 December 2013

<sup>&</sup>lt;sup>48</sup> CLA Committee, RoP [paragraph 127], 8 July 2013

<sup>&</sup>lt;sup>49</sup> CLA Committee, *RoP [paragraph 61]*, 2 December 2013

<sup>&</sup>lt;sup>50</sup> CLA Committee, *RoP [paragraph 22]*, 2 December 2013

influencing EU policy is crucial (a point recognised by Dr Hywel Ceri Jones<sup>51</sup>) and would emphasise that the majority of discussions take place within the UK itself.

53. Evidence from the First Minister,<sup>52</sup> the Natural Resources Minister,<sup>53</sup> and the Scottish Minister,<sup>54</sup> suggested that relationships with Whitehall departments can be variable, sometimes, for example, as a consequence of where the devolution settlement lies.<sup>55</sup> Paul Cairney, Professor of Politics and Public Policy at the University of Stirling, suggested that the approach of the UK Whitehall departments to devolved governments is one of "benign neglect" rather than a conspiracy to exclude.<sup>56</sup> That said, we received evidence of positive relationships between officials and in particular good and constructive relationships with UKRep,<sup>57</sup> with the Natural Resources Minister in particular expressing gratitude for the help it provides.<sup>58</sup>

54. We also heard some concerns expressed from both the First Minister<sup>59</sup> and the Scottish Minister<sup>60</sup> about the variation and inconsistencies between Whitehall departments in providing early engagement on policy matters of interest to devolved governments.

55. Nevertheless we note that the Welsh Ministers and officials are consulted in the preparation of the UK Government speaking note for the Council, and that this appears to be an inclusive exercise. However, what is not clear is how systematic the involvement of the Welsh Government is in this process across all dossiers; in particular, whether the process is a formal one or whether it is driven by the Welsh Government being pro-active and targeting particular issues and concerns.

Recommendation 4: we recommend that the Welsh Government continues to place a high priority on its involvement in the preparation of the UK speaking note for Council meetings but, in addition, clarifies how systematic and proactive its involvement is in its preparation across all policy dossiers that relate to devolved matters.

<sup>&</sup>lt;sup>51</sup> CLA Committee, *RoP [paragraph 183*], 18 November 2013

<sup>&</sup>lt;sup>52</sup> CLA Committee, *RoP [paragraph 59]*, 2 December 2013

<sup>&</sup>lt;sup>53</sup> CLA Committee, *RoP [paragraphs 40 and 64-65]*, 8 July 2013

<sup>&</sup>lt;sup>54</sup> CLA Committee, RoP [paragraphs 28 and 45-47], 18 November 2013

<sup>&</sup>lt;sup>55</sup> CLA Committee, *RoP [paragraph 40]*, 8 July 2013

<sup>&</sup>lt;sup>56</sup> CLA Committee, RoP [paragraph 54], 1 July 2013

<sup>&</sup>lt;sup>57</sup> Written Evidence EU 1; Committee visit, 17 June 2013

<sup>&</sup>lt;sup>58</sup> CLA Committee, *RoP [paragraph 110]*, 8 July 2013

<sup>&</sup>lt;sup>59</sup> CLA Committee, *RoP [paragraph 63]*, 2 December 2013

<sup>&</sup>lt;sup>60</sup> CLA Committee, *RoP [paragraphs 28–34]*, 18 November 2013

56. In our view the rigour that is needed in the system to get the Welsh voice properly heard is a good bilateral relationship between the Welsh Government and the UK Government. It therefore remains disappointing, after almost 15 years of devolution, to hear about the variability in the quality of contacts between Whitehall Departments and Welsh Government departments.

57. There is clearly a need for Whitehall departments and devolved governments to improve the way they interact with each other.

58. From the Welsh Government's perspective, there remains the task of not only building new relationships and nurturing existing ones, but aiming to ensure that structures are as robust and effective as they can be so that the system does not rely entirely on good personal relationships. This remains an inherent vulnerability in the system.

59. The onus is also on the Welsh Government to take a more proactive and strategic approach to its engagement on EU policies. There is clear evidence that where it does this – for example on the Common Agricultural Policy and on Structural Funds – it is able to influence the UK position and this in part reflects well on the engagement with relevant Whitehall departments.

60. However, as our later section on the *Welsh Government's strategic approach* indicates, this is not sufficiently robust across policy areas. We are aware of the work of the Enterprise and Business Committee on the TEN-T/CEF regulations,<sup>61</sup> which has uncovered problems with negotiations between the European Commission, the UK Government and the Welsh Government.

61. While consideration is still being given to this issue by the Enterprise and Business Committee, the problems that have arisen with TEN-T/CEF may point to more formalised, statutory structures having merit (as proposed by Professor Keating) because they would ensure a more consistent and coherent approach to engagement between the UK Government and the devolved governments. They would also provide institutional safeguards to get around problems where personal relationships or informal arrangements break down.

<sup>&</sup>lt;sup>61</sup> The Enterprise and Business Committee has been considering the role of the Welsh Government and UK Government in the negotiations on the Trans-European Transport Network (TEN-T) and Connecting Europe Facility regulations in light of the omission of Wales from the final 'Core Network Corridors' agreed in 2013, despite being included in the original European Commission proposals published on 19 October 2011

62. However, it is clear from the views of the Scottish Minister that at present there is no political appetite from the UK Government to seriously consider this as a viable option. Nevertheless, recent revisions to the Memorandum of Understanding may be a step in the right direction. We believe therefore that the situation needs more monitoring to see if this proves to be the case.

63. Based on the favourable evidence about the way it is functioning and given its role, we also consider that the JMC (Europe) has become a critical body for Wales in terms of how the Welsh Government influences the EU decision-making process.

Recommendation 5: we recommend that the Welsh Government raises with the UK Government the way that Whitehall departments and Welsh Government departments work together on EU policy areas in devolved areas and writes to this Committee with details of the UK Government's response.

Recommendation 6: in order to monitor their effectiveness, we recommend that the Welsh Government makes an annual statement on its view of how the Memorandum of Understanding and JMC (Europe) are functioning.

64. In our view, recommendation 6 could in part address issues of democratic accountability highlighted by Professor Keating<sup>62</sup> and arising from the difficulty in holding a devolved government to account for negotiations that take place behind closed doors in agreeing the UK line prior to Council meetings.

65. The evidence we have heard underlines the importance of the Welsh Government having a clear and focused strategy with appropriately aligned resources, that sets out priorities for its EU engagement and that looks to addresses the relationship between its departments and Whitehall.

#### The role of the European Parliament

66. One of our most striking findings has been how the role of the European Parliament has strengthened and increased in prominence since the Lisbon Treaty, particularly in areas such as agriculture and Structural Funds that are important to Wales. According to Dr Hywel Ceri Jones, the

<sup>&</sup>lt;sup>62</sup> CLA Committee, RoP [paragraphs 24 and 28], 15 July 2013

changes introduced by the Treaty have "changed the European ball game of decision making considerably."<sup>63</sup>

67. During our committee visits, we heard that a new dynamic has clearly been brought to negotiations between the European Commission and the European Parliament, with the Commission needing to predict what the Parliament is thinking, a task that can be quite difficult.<sup>64</sup>

68. The growing influence of the European Parliament can also be seen in the context of the "trilogue negotiations", which are becoming a crucial element of the decision-making process, and in which the European Parliament has a significant role; it is considered important to have someone in the room during these negotiations to aid understanding and enable influence later in the process.<sup>65</sup>

69. The power of the European Parliament should not be underestimated and we believe there is an imperative for all bodies and organisations to adapt their approach to this increasingly influential institution to ensure an appropriate network of personal contacts and relationships is developed. This is particularly important given the negotiating roles undertaken by rapporteurs with the Council<sup>66</sup> and also in relation to the roles of shadow rapporteurs, committee chairs and the political co-ordinators of the political groups on committees.

70. We heard evidence that some Environmental Non Governmental Organisations, for example, have already benefitted and been more effective as a result of identifying early on the increased influence of the European Parliament since the Lisbon Treaty.<sup>67</sup>

71. It was therefore welcome to hear the Natural Resources Minister emphasise how he seeks opportunities to speak and engage with MEPs, not just from Wales and the rest of the UK, but those from other parts of Europe in their roles as rapporteurs.<sup>68</sup>

72. The importance of not just lobbying Welsh MEPs but other MEPs from across Europe, targeting those that are likely to have similar interests and concerns to Wales, was another key message we heard<sup>69</sup>, particularly as

<sup>&</sup>lt;sup>63</sup> CLA Committee, *RoP [paragraph 12]*, 18 November 2013

<sup>&</sup>lt;sup>64</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>65</sup> Committee visit, 14 October 2013

<sup>&</sup>lt;sup>66</sup> Committee visit, 14 October 2013

<sup>&</sup>lt;sup>67</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>68</sup> CLA Committee, RoP [paragraphs 99 and 121-122], 8 July 2013

 $<sup>^{69}</sup>$  Committee visits, 17 June 2013 and 14 October 2013

working with more MEPs is likely to increase support for the overall objectives.<sup>70</sup> For example, German academics are leading the way on research into the maritime economy, so when thinking about innovation in this field, it was considered sensible to lobby German MEPs, since they have been pushing the agenda on increasing support for maritime research as a consequence and also because of the manufacturing opportunities that could arise for German businesses.<sup>71</sup> Knowledge and understanding of the interests of MEPs from across Europe can therefore be useful to establish where relationships might be made to best promote the interests of Wales.

73. We heard from many sources how Welsh MEPs have worked together as a 'team' on issues of importance to Wales,<sup>72</sup> including from the First Minister,<sup>73</sup> and this has been considered both positive and valuable.<sup>74</sup> The Scottish Minister also noted that Scottish MEPs work "collectively and collegiately" together, which is helpful in influencing the Scottish agenda in the European Parliament.<sup>75</sup> She also remarked that the collective working of MEPs has become increasingly important over the last few years.<sup>76</sup>

74. Welsh MEPs suggested some areas for improvement in the way in which the Welsh Government engages with them<sup>77</sup> and we welcome the First Minister's willingness to consider them.<sup>78</sup>

75. For example, it was felt that the Welsh Government could do more to engage and provide relevant information to all four Welsh MEPs given the team approach being adopted. In particular, there was perceived to be a lack of information on Welsh Government positions on EU policy and legislative developments, with the exception of a number of key areas (Structural Funds, the Common Agricultural Policy, EU Budget).<sup>79</sup> The lack of systematic briefing by Welsh Government to all Welsh MEPs on some but not all dossiers was contrasted with the briefings by UKRep to all UK MEPs.<sup>80</sup>

#### Recommendation 7: we recommend that the Welsh Government reviews its approach to engaging with Welsh MEPs and in so doing, takes account of paragraph 75 of this report.

<sup>&</sup>lt;sup>70</sup> Committee visit, 14 October 2013

<sup>&</sup>lt;sup>71</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>72</sup> Committee visit, 17 June 2013; CLA Committee, *RoP [paragraph 55]*, 30 September 2013

<sup>&</sup>lt;sup>73</sup> CLA Committee, RoP [paragraph 92], 2 December 2013

<sup>&</sup>lt;sup>74</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>75</sup> CLA Committee, RoP [paragraph 94], 18 November 2013

<sup>&</sup>lt;sup>76</sup> CLA Committee, *RoP [paragraphs 24 and 28]*, 15 July 2013 <sup>77</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>78</sup> CLA Committee, RoP [paragraph 92], 2 December 2013

<sup>&</sup>lt;sup>79</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>80</sup> Committee visits, 17 June 2013 and 14 October 2013

76. Equally there was considered to be no information available from the Welsh Government of its input into the preparation of UK Government Explanatory Memoranda<sup>81</sup> (explained by the UK Minister in his evidence<sup>82</sup>); such information would be valuable for Welsh MEPs, as well as the Welsh Local Government Association and Welsh Higher Education Brussels. The First Minister said that there is no reason why the memoranda should not be made public but also noted that the Welsh Government could do with more time to respond to memoranda when consulted.<sup>83</sup>

77. We note that the UK Government Explanatory Memoranda are in fact publicly available and are sent to Assembly officials by the House of Commons European Scrutiny Committee. What is not available is the Welsh Government's own position on such proposals, where they have identified any issues of concern to Wales.

78. We would welcome a more systematic approach to communication from the Welsh Government of its position on key EU dossiers. Given EU proposals (usually) take a number of years to be prepared, including widespread consultation with stakeholders, we consider it reasonable to expect the Welsh Government to be able to identify and set out a position on key priorities.

#### Recommendation 8: we recommend that the Welsh Government, for all relevant UK Government Explanatory Memoranda on EU policy proposals, issues a statement (or other document) setting out its observations on the policy matters covered.

79. This again would help address the issue of democratic accountability highlighted by Professor Keating (see paragraph 64).

80. Given the increasing prominence of the European Parliament, Welsh MEPs are a crucial resource. We are aware that a number of Assembly Committees have integrated working with the European Parliament into their formal business and we would hope that this continues, particularly during the new mandate of the European Parliament that will start from June 2014.

<sup>&</sup>lt;sup>81</sup> Committee visit, 14 October 2013

<sup>&</sup>lt;sup>82</sup> CLA Committee, RoP [paragraphs 58-65 ], 25 November 2013

<sup>&</sup>lt;sup>83</sup> CLA Committee, *RoP [paragraphs 65-68 ]*, 2 December 2013

# The role of the Committee of the Regions and European Economic and Social Committee

81. We heard mixed views about these institutions and their effectiveness, with the majority suggesting that their role and therefore ability to influence was limited and minimal, while others felt that the quality of the work was dependent on factors such as the motivation of individuals, the available resources and the quality of their rapporteurs.<sup>84</sup>

82. We recognise that the Committee of the Regions provides a platform through which particular regional concerns can be voiced.<sup>85</sup> As a consequence, this enables Welsh representatives on the Committee of the Regions to have access to all the various institutions of the EU and therefore provides opportunities to influence decision-makers.<sup>86</sup>

83. One of the points made by Rhodri Glyn Thomas AM, who gave evidence in his role as rapporteur for the Committee of the Regions, was the crucial need to strengthen its relationship with the European Parliament,<sup>87</sup> a view we heard echoed in our Committee visits, and one we strongly endorse.

84. We also agree with Rhodri Glyn Thomas AM that there is a need to develop the role of the Committee of the Regions<sup>88</sup> and also welcome the collective decision of Welsh members of this body to "be more dynamic in working together within the UK delegation."<sup>89</sup>

85. We believe that the current review of the Committee of the Regions provides an opportunity for this body to re-assess its role and how it might improve its effectiveness.

86. We also believe that a formal mechanism should be established to enable the Committee of the Regions, through its AM representatives, to report back to the Assembly, particularly as they are nominated by the First Minister. This would increase the accountability of the Committee of the Regions and give due status to the work it undertakes. It would also to some extent reflect practice in the Third Assembly when it reported periodically to the European and External Affairs Committee.

<sup>&</sup>lt;sup>84</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>85</sup> CLA Committee, *RoP [paragraphs 34-108]*, 23 September 2013

<sup>&</sup>lt;sup>86</sup> CLA Committee, RoP [paragraphs 38 and 45], 23 September 2013

<sup>&</sup>lt;sup>87</sup> CLA Committee, RoP [paragraph 56], 23 September 2013

<sup>&</sup>lt;sup>88</sup> CLA Committee, *RoP [paragraph 60]*, 23 September 2013

<sup>&</sup>lt;sup>89</sup> CLA Committee, *RoP [paragraph 99]*, 23 September 2013

Recommendation 9: we recommend that the Assembly Member representatives on the Committee of the Regions lay a written statement before the Assembly periodically outlining the work that the Committee has undertaken.

87. We received evidence of the way in which the European Economic and Social Committee operates from one of its Welsh members, Tom Jones.<sup>90</sup> Other witnesses questioned the importance of the European Economic and Social Committee.<sup>91</sup> Nevertheless, we were concerned to hear of the minimal support available to Welsh members of the European Economic and Social Committee with their work.<sup>92</sup> We believe that there needs to be greater focus to their work and that this can be assisted through support provided by the Welsh Government's EU office (see paragraph 42).

Recommendation 10: we recommend that the Welsh Government clarifies its relationship with Welsh members of the European Economic and Social Committee and also that it ensures that an appropriate level of support is provided to them to ensure that they are fully briefed when representing Wales in their discussions.

88. We were also concerned to note the very long timescale sometimes involved in the appointment of new members from Wales to both the Committee of the Regions<sup>93</sup> and European Economic and Social Committee.<sup>94</sup>

Recommendation 11: We recommend that the Welsh Government and UK Government explore ways of speeding up the process of appointment of new members from Wales to both the Committee of the Regions and European Economic and Social Committee.

#### The Welsh Government's strategic approach

89. This report has looked at how influence is exerted to get the maximum benefit for Wales in Europe and as part of that, the roles of various stakeholders in that process, particularly the Welsh Government. Generally we have received positive feedback on how Wales and in particular the Welsh Government engages with the European Commission, including in the formulation of policy; the implementation of programmes on the ground in Wales, and in resolving any issues arising. Wales is generally listened to and

<sup>&</sup>lt;sup>90</sup> CLA Committee, RoP [paragraphs 19 - 110], 30 September 2013

<sup>&</sup>lt;sup>91</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>92</sup> CLA Committee, RoP [paragraphs 28, 70 and 86], 30 September 2013

<sup>&</sup>lt;sup>93</sup> CLA Committee, RoP [paragraph 35], 23 September

<sup>&</sup>lt;sup>94</sup> CLA Committee, *RoP [paragraphs 36–37 and 40]*, 30 September 2013; CLA Committee, *RoP [paragraphs 105–114]*, 2 December 2013;

is seen as innovative in the areas of regional and agricultural policy, with some organisations highlighting the high profile of the Natural Resources Minister.<sup>95</sup>

90. Underpinning the way that the Welsh Government seeks to achieve its objectives must be a strong coherent strategy that sets a clear direction. That point was made to us forcibly on a number of occasions.<sup>96</sup>

91. Professor Cairney spoke of the importance of devolved governments making the running, checking constantly what issues are coming up from the UK Government and having a strategy to deal with it rather than waiting to be consulted.<sup>97</sup> We believe this means the Welsh Government taking a proactive rather than reactive approach to engagement, and using all the resources at its disposal (including those in Brussels) to support this.

92. Professor Keating, commenting on the low salience of Europe within Scotland, felt that:

"... sometimes, the devolved administrations are not geared up to ... picking up what are the important issues and where they should get involved. You cannot get involved in everything—you have to be selective in what you get involved in."<sup>98</sup>

93. However, we heard from the Scottish Minister how the Scottish Government has sought a focused approach to engagement, targeting four key areas, noting that "it provides leadership and focus to our key areas of attention."<sup>99</sup>

94. Horizon 2020 was raised on numerous occasions during our evidence gathering<sup>100</sup> and is considered one of the most challenging and least transparent areas in which to get involved.<sup>101</sup> As such, it was suggested that this needs some very specific attention from Wales with direct engagement from industry and universities and that there should be a strategic vision to take advantage of it.<sup>102</sup>

<sup>&</sup>lt;sup>95</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>96</sup> Committee visits, 17 June 2013 and 14 October 2013

<sup>&</sup>lt;sup>97</sup> CLA Committee, RoP [paragraph 70], 1 July 2013

<sup>&</sup>lt;sup>98</sup> CLA Committee, RoP [paragraph 48], 18 November 2013

<sup>&</sup>lt;sup>99</sup> CLA Committee, RoP [paragraph 82], 18 November 2013

<sup>&</sup>lt;sup>100</sup> For example, see CLA Committee, *RoP [paragraph 60]*, 15 July 2013

<sup>&</sup>lt;sup>101</sup> Committee visit, 17 June 2013

<sup>&</sup>lt;sup>102</sup> Committee visit, 17 June 2013

95. Dr Hywel Ceri Jones noted how for the first time he had seen "an alignment of the Welsh political agenda for the next period with the EU political agenda",<sup>103</sup> suggesting that a similar position in Ireland had been one of the reasons for the success of the Celtic Tiger. In so doing he suggested that "the next period to 2020 is the last chance saloon with European money", adding that "the biggest challenge is probably to get the private sector really engaged."<sup>104</sup>

96. We note that the Welsh Government's EU strategy<sup>105</sup> identifies 14 broad policy areas. In our view the strategy appears merely aspirational; it does not set any targets or milestones and does not build in any process for evaluation or measurement of success. As a result, we believe that too much of the Welsh Government's approach appears reactive and also that there is not enough early thought focused around the Welsh Government's end goals.

97. We strongly believe that the Welsh Government needs to review and revise its EU strategy and to undertake this work in a transparent and open way, drawing from the widespread knowledge and experience of EU engagement in Wales, Brussels and elsewhere.

98. In so doing, the Welsh Government needs to identify key priorities and focus on these, because as we have heard, it is not possible to cover all issues in detail. The strategy also needs, for each priority area, clear targets with information about how they are to be delivered and who will need to be involved in consultation, design, planning and delivery.

99. We believe that a focused approach is achievable: the evidence we have heard clearly shows that the Welsh Government has proved adept and successful in the areas of agriculture and Structural Funds, and through the hard work in particular of the Natural Resources Minister and Welsh Government officials, has built a good reputation in these fields.

100. Part of that revised strategy must in our view involve a considered and structured approach to secondments. We heard considerable and compelling evidence on the importance of secondment: for example, from the Scottish Minister,<sup>106</sup> Dr Hywel Ceri Jones<sup>107</sup> and during our Committee visits. There was

<sup>&</sup>lt;sup>103</sup> CLA Committee, RoP [paragraph 218], 18 November 2013

<sup>&</sup>lt;sup>104</sup> CLA Committee, *RoP [paragraph 234]*, 18 November 2013

<sup>&</sup>lt;sup>105</sup> Welsh Government, Wales and the European Union, The Welsh Government's EU Strategy, May 2012

<sup>&</sup>lt;sup>106</sup> CLA Committee, *RoP [paragraph 92]*, 18 November 2013

<sup>&</sup>lt;sup>107</sup> CLA Committee, RoP [paragraph 189], 18 November 2013

some general concern expressed about some diminution of the use of secondments across the UK,<sup>108</sup> although there were signs of improvement<sup>109</sup>. Dr David Hughes felt that that the Welsh Government is keen to send its officials on secondment to Brussels but suggested that there was a problem in recruiting full-time officials.<sup>110</sup> The First Minister and his official outlined the Welsh Government's record on secondments and the approach adopted.<sup>111</sup> We also heard evidence of practice in other countries from Professor Keating, who in particular, explained how Ireland had approached and been successful in this field.<sup>112</sup>

101. As will be apparent from this report, we consider it important to use influence and contacts where these exist. Secondment opportunities offer the ability for officials not only to improve knowledge of how European institutions function but also to identify and cultivate key Welsh links in the EU Institutions, which will be of considerable use when they return to Wales. However, it was unclear how proactive the Welsh Government is in seeking to second officials; the evidence of the First Minister and his official showed commitment in principle but suggested the approach taken is to respond to opportunities as and when they become available in the EU Institutions.<sup>113</sup>

Recommendation 12: we recommend that the Welsh Government reviews and revises its EU strategy as soon as possible, taking account of all the recommendations and views expressed in this report. This should be undertaken in an open and inclusive way, formally consulting all relevant organisations to ensure that the wealth of knowledge and interest in Europe that exists in Wales is taken into account.

Recommendation 13: we recommend that an annual debate is held on the EU strategy in a plenary session of the National Assembly to coincide with the annual statement referred to in recommendation 6.

102. In our view recommendations 6 and 13 will together provide a stronger measure of accountability for the activities of the Welsh Government in relation to Europe.

<sup>&</sup>lt;sup>108</sup> CLA Committee, *RoP [paragraph 189]*, 18 November 2013

<sup>&</sup>lt;sup>109</sup> CLA Committee, RoP [paragraph 92], 18 November 2013

<sup>&</sup>lt;sup>110</sup> CLA Committee, RoP [paragraph 164], 15 July 2013

<sup>&</sup>quot;CLA Committee, RoP [paragraphs 51 and 83-88], 2 December 2013

<sup>&</sup>lt;sup>112</sup> CLA Committee, RoP [paragraph 52], 15 July 2013

<sup>&</sup>lt;sup>113</sup> CLA Committee, RoP [paragraphs 85-88], 2 December 2013

## Annex 1 - List of evidence

The following people provided written evidence to the Committee.

Name / Organisation Iwan Williams, Welsh Local Government Association	<b>Reference</b> EU 1
Kay Powell, The Law Society	EU 2
Einion Dafydd, Aberystwyth University	EU 3
Professor Michael Keating, Universtiy of Aberdeen	EU 4
Adrian Halfyard, Foreign and Commonwealth Office	EU 5
David Hughes, European Commission Office in Wales	EU 6
Tom Jones, European and Economic and Social Committee	EU 7
Fiona Hyslop MSP, Scottish Government	EU 8

All written evidence can be viewed in full at: <u>www.senedd.assemblywales.org/mglssueHistoryHome.aspx?IId=6722</u>

# Annex 2 - List of oral evidence and Committee visits

#### List of oral Evidence

Date of Meeting	Witness
1 July 2013	Professor Paul Cairney, Stirling University
8 July 2013	Alun Davies AM, Minister For Natural Resources and Food
15 July 2013	Professor Micheal Keating, University of Aberdeen
	David Hughes, European Commission Office In Wales
23 September 2013	Rhodri Glyn Thomas AM, Committee of the Regions
30 September 2013	Tom Jones, European Economic and Social Committee
18 November 2013	Fiona Hyslop MSP, Minister for Culture and External Affairs
25 November 2013	Rt Hon David Lidington MP, Minister of State for Europe
2 December 2013	Rt Hon Carwyn Jones AM, First Minister

#### **Committee Visits to Brussels**

Date of Visit	Members Attended
17 June 2013	David Melding AM and Eluned Parrott AM
14 October 2013	Suzy Davies AM and Simon Thomas AM

## Annex 3 - Ordinary Legislative Procedure: by way of illustration

