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# Wales and the European Union

The Welsh Government's EU Strategy

May 2012



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# Foreword

I have always been clear about the benefits to Wales of membership of the European Union. European money supports economic development in our lagging areas as well as helping maintain our rural economy. Recognition of our clean beaches, the quality of our air, the health of our livestock – all have been stimulated by actions at EU level.

What I have learned in recent years is that nothing can be taken for granted. Enduring financial and economic uncertainties in different parts of the EU have consequences for us here in Wales. We are not protected from continental and global currents even if we live in one of Europe's quieter and more stable corners.

Wales' position in the European Union is something we have to work on constantly. As First Minister I am committed to leading a Government that is active at the European level, and I have mandated my Ministers to work in this same vein. I want Wales to gain maximum advantage from Europe in every way we can. We have much to gain and, I believe, something to offer to the wider European experience.

I recently launched a science strategy for the Welsh Government, the first time we have ever had one. I believe that Wales can do better in accessing the money set aside in Europe for research and innovation. Some of our universities and institutions have led the way with this, but I think we can do more to increase our share in the years to come. This work can be a platform for co-operation on an international basis and can multiply potential benefits to Wales.

We need to work harder, too, to engage the private sector. I travel extensively around the world promoting Wales as a business location and trade partner. It's through this experience that I see with great clarity just how competitive the world has become and the scale of the challenge we in Wales face to retain and develop our prosperity.



We cannot do it on our own. The European Union gives us access to the world's largest economy, in GDP terms, and to a place where we can work with others to innovate and develop our industries. Dealing as I do with investors from China, India, the USA and beyond, I know for a certainty that Wales' stable and long-term membership of the EU is a large part of what makes us attractive to investors. That's at the heart of why I'll always make the case for Wales in Europe.

The Rt Hon Carwyn Jones AM  
First Minister of Wales

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# Introduction

This document sets out the Welsh Government's strategic approach to the European Union. Our aim is to promote and protect the interests of Wales and to deliver the best possible outcomes for our citizens. The strategy explains how and why we aim to do this.

Since devolution, we have made real progress in our ability to influence the development of EU policies of importance to Wales. While recognising this progress, the time is right for a renewed and reinvigorated approach to our work. The EU is constantly changing and we need to change with it.

The economic downturn, which began in 2008, caused rising unemployment and sluggish growth across Europe. The euro itself has come under great pressure and the effects of this are felt inside and outside the eurozone. At the same time, emerging economies outside Europe – China, India, Brazil and others – continue to grow rapidly and represent an increasing competitive challenge. The countries of Europe can no longer take for granted their traditional global economic position. We need to work together, to show flexibility and to release energy into economic renewal.

The Welsh Government recognises that investment in research, development and innovation is key to our economic future. Education and skills are fundamental to our competitiveness and capacity for sustainable economic growth. We need diverse sources of energy to help power our economy for the next generation. We want to live in a Wales that is socially just, cohesive and open to talent and ideas from around the world.

The EU is a partner in helping us meet these challenges and EU funds currently bring well over half a billion pounds a year into the Welsh economy. The EU's goals, described in its Europe 2020 strategy, complement our own *Programme for Government*. For example, investment in transport infrastructure in Wales would also contribute to the EU's goals in generating growth by improving connectivity, building the Single Market and realising the potential of the workforce through better access to employment. By facilitating growth in disadvantaged areas, it would also improve social and territorial cohesion. Similarly, raising the skills level of low-skilled workers in Wales would contribute to the Europe 2020 goals of increased social inclusion and employment rates in addition to stimulating economic growth.





# The Purpose and Benefits of Wales' relations with the European Union

The European Union has a major impact on the lives of people in Wales and plays an important role in our nation's prosperity. It makes decisions and passes laws that affect Welsh policy interests such as business and trade, agriculture and rural development, regional development, energy, skills, employment, transport and the environment. Our membership of the EU, and our active participation in the development and implementation of its policies and programmes, contribute significantly to the achievement of the goals we set out in our *Programme for Government*.

The principles of cohesion and solidarity underpin the European Union and aim to create conditions for prosperity and fairness. The Welsh Government supports the Single Market and our economy benefits substantially from the opportunity to trade freely with our European partners. The goals of Europe 2020, the EU's strategy for smart, sustainable and inclusive growth, are shared by the Welsh Government. We concur with the emphasis on research, development and innovation and believe these form an essential part of our economic future.

The European Commission is an important investment partner for Wales. The Structural Funds, the Common Agricultural Policy and other programmes combine with Welsh Government funds and other investment to multiply the impact on Wales' economy. It is vital to our interests that we secure the continuation of these funding streams through the next EU budget period (2014-2020) so that essential investment can be maintained.

Wales plays a positive role within the EU as an active partner. We have shown leadership in the development and implementation of innovative policies. For example, Wales is a leader in the introduction of financial engineering instruments to make more effective use of the Structural Funds in providing access to finance by small and medium-sized firms. Our implementation of Farming Connect, our support service for farm and forestry businesses, has influenced schemes elsewhere in the EU.

The Welsh Government will maximise the benefits of EU membership for the people of Wales through the objectives set out below.

# The Welsh Government's Objectives for its relations with the EU

## Promoting and protecting the interests of Wales in the EU

During 2012 and 2013 important decisions will be taken on the EU's Budget for the period 2014-2020. We will fight Wales' corner to ensure the most favourable outcome for circumstances in Wales.

In order to promote and protect Welsh interests, we will identify forthcoming EU policy initiatives with a potentially positive impact on Wales and engage in those areas while also working to mitigate measures that could have adverse consequences for Wales.

Our priorities are:

- The Single Market: Trade and Investment
- The Europe 2020 Strategy: Jobs and Growth
- The EU Budget for 2014-2020
- The Structural Funds; Regional Economic Development
- Agriculture and Fisheries
- Sustainable Development
- The Connecting Europe Facility: Transport, Energy and Telecommunications Networks
- Horizon 2020: Support for Research, Development, Innovation and Science
- Education, Skills, Employment and Social Inclusion
- Energy
- Climate Change
- The Environment
- Health
- Fulfilling our EU obligations

The Welsh Government will identify EU proposals of significance to Wales and work to promote and protect our interests.





## The Single Market: Trade and Investment

The European Single Market has made a massive impact on long-term prosperity in Europe. The European Union remains our largest trading partner with a market of around 500 million people, the world's largest economy in GDP terms. Not only is this of major importance to Welsh business, access to the Single Market forms an essential part of the Welsh offer to foreign investors.

More than 500 firms in Wales export over £5 billion annually to other EU Member States and some 150,000 jobs in Wales depend on that trade. In addition, more than 450 firms from other Member States are located in Wales, employing over 50,000 people.

The Welsh Government supports fair competition within the Single Market and common standards to protect the interests of consumers and workers alike. While excessive legislation is unwelcome, common standards promote confidence in the Single Market and encourage investment.

Stimulating exports and attracting inward investment are central to our strategy for growth and economic renewal. The Welsh Government continues to support the Single Market and will work with others to ensure a level playing field and a dynamic business environment across the EU.

## The Europe 2020 Strategy: Jobs and Growth

The Welsh Government recognises growth as essential to building prosperity and opportunity, and this approach aligns with the EU's medium-term strategy. The European Commission has developed a series of initiatives – in areas such as employment and skills; education; research, development and innovation - designed to stimulate a competitive and sustainable economy.

The EU monitors and evaluates the delivery of the Europe 2020 objectives and each Member State produces an annual report, known as the National Reform Programme, setting out its progress. While significant elements of the agenda are non-devolved, such as macroeconomic stability and welfare reform, the Welsh Government contributes directly in critical areas such as skills, business access to finance, the knowledge economy and other measures.

The Welsh Government will continue to participate in the UK's National Reform Programme, reporting to the European Commission, setting out our progress and policies for creating conditions for growth. In this way, we will continue to contribute to the wider vision for European prosperity in the period up to 2020.

## The EU Budget for 2014-2020

The European Commission in June 2011 published its budget proposal for the period 2014-2020 (known as the Multi-annual Financial Framework). This set out the broad headings for spending against the goals of the Europe 2020 strategy for jobs and growth.

Wales has a substantial interest in the two largest areas of spending, the Structural Funds and the Common Agricultural Policy, which contribute significantly to the economic wellbeing of Wales. We believe that the budget for the Structural Funds and the Common Agricultural Policy should be adequate to deliver the objectives of Europe 2020.

We have a major interest in other, competitive funding streams such as Horizon 2020, the Commission's third largest fund and a primary instrument for supporting research and innovation. We will stimulate and support Welsh organisations in maximising their involvement in EU projects and forming collaborations with like-minded organisations across Europe. We aim to ensure infrastructure developments in transport, energy and telecommunications networks benefit from finance under the Connecting Europe Facility.

The Welsh Government recognises the need for budgetary restraint at the EU level in the prevailing economic circumstances but we believe the overall size of the budget should be sufficient to meet the challenges facing communities in Wales and across Europe. There should be strict discipline on administrative expenditure and alternative financial instruments that will offer greater flexibility and efficiency should be utilised.

After the adoption of the EU Budget for 2014-2020, the Welsh Government will work with Welsh organisations to help maximise access to funding from all relevant EU programmes.

The Welsh Government is committed to achieving the best outcome for Wales from the EU Budget for 2014-2020 and we will work constructively with the UK Government and European Commission to achieve this. We are similarly committed to maximising the impact of EU programmes and will ensure that these are based on evidence of what works and are focused on delivery and outcomes for people, communities and businesses in Wales.

## The Structural Funds: Regional Economic Development

Wales will benefit from EU Structural Funds support of over £1.9 billion during the current (2007-2013) programme period. This support, along with our own investment, is helping to reshape our economic infrastructure and to position Wales as a low carbon, green economy. The Structural Funds also address wider social and environmental challenges.

There is already strong alignment between the Europe 2020 strategy and our *Programme for Government*. These strategies set out an ambitious vision to improve lives. It will be important that future investments under the European Regional Development Fund, aimed at creating the right conditions for economic growth, are properly aligned with the European Social Fund, which enables people to improve their skills and employment prospects

In anticipation of future funding, we are working with partners to help shape the UK's policy direction and negotiating position ahead of the next round of EU programmes. We are also working with the European Commission and the European Parliament in developing the new regulations setting out the legislative and management framework for the next programming period.

We support the Commission's aspirations for greater integration across a range of EU funds and for the simplification of funding delivery, particularly for the end beneficiaries. We are sharing our experience, expertise and lessons learned from the management of EU programmes with the Commission, Parliament and European networks. When the legislative package has been agreed, we will in due course negotiate our Operational Programmes with the Commission and we have already begun consulting our partners on future priorities.

We are committed to ensuring that Structural Funds allocated to Wales have maximum beneficial impact. We will support fewer and more strategic projects and it is our intention to focus on the delivery of sustainable growth and jobs.



First Minister Carwyn Jones with European Commissioner for Regional Policy Johannes Hahn



Deputy Minister for Agriculture, Food, Fisheries and European Programmes, Alun Davies AM, European Commissioner Johannes Hahn and Paul Freeman, MD of Bridge Marine Science Group, receiving the EU RegioStars award in June 2011.

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## Agriculture and Fisheries

### The Common Agricultural Policy (CAP)

The Common Agricultural Policy helps ensure the continued viability of our rural communities. Wales benefits from two streams of CAP funding. The Single Farm Payment/Direct Payment provides direct support to our farming businesses while the Rural Development Fund provides more general support for rural areas. Together they bring almost £400 million per annum into the Welsh economy.

The regulations governing future CAP funding are currently being negotiated. Our aims are to maximise the Welsh share of funding and to influence policy in the best interests of the Welsh economy and society.

The Welsh Government will continue to administer the current round of CAP funds and aim to maximise their uptake. We aim to minimise corrective action by the Commission through ensuring that Welsh funding schemes are properly compliant, well advertised, promptly paid and accurate.

The Welsh Government aims to maximise the benefits of CAP funds in Wales. We want to see investment used for the development of profitable and sustainable farming and rural businesses, strong rural communities, and for improving environmental management in our countryside

### The Common Fisheries Policy (CFP)

The Common Fisheries Policy is central to the management of fish stocks, the fishing fleet and the marketing of fisheries products. The European Commission is conducting a review ahead of the introduction of a new CFP in 2013 and the Welsh Government is representing the specific needs of the Welsh fishing industry. We want to see a CFP attuned to the needs of the small-scale fishing sector to provide benefit to Wales in the form of sustainable fisheries and jobs.

As with other funding streams, the European Fisheries Fund and its successor the European Maritime and Fisheries Fund are required to deliver against longer-term goals relating to Europe 2020 and a reformed CFP, which will run to 2022.

We aim to maximise the benefits of the funds available in Wales. We want to see future investment used for the development of fishing communities, innovation in areas including environmental protection, data collection, scientific research, aquaculture and the control of fishing operations.



Dash Shellfish, Broadhaven, Pembrokeshire.

## Sustainable Development

Sustainable development is the Welsh Government's central organising principle and is embedded in our *Programme for Government*. This approach emphasises social and economic wellbeing, based on the values of fairness and social justice, while living within environmental limits. During this Assembly, legislation will be passed to strengthen sustainable development principles across the Welsh public sector.

The EU is a ready partner in this vision and shared priorities are strongly reflected in our Sustainable Development Scheme, *One Wales; One Planet*. The Welsh Government aims to be outward-facing and we promote sustainable development through our participation in the Network of Regional Governments for Sustainable Development (nrg4SD).

We will ensure coherence between the Welsh Government and the EU in our approaches to sustainable development. We will engage internationally to promote sustainable development values and joint actions in Europe and beyond.





# The Connecting Europe Facility: Transport, Energy and Telecommunications Networks

The European Commission has proposed, as part of its budget for 2014-2020, to establish the Connecting Europe Facility as a new €50 billion fund to replace the existing programmes for Trans-European Networks. These networks represent a series of strategic cross-border infrastructure links extending across the Union. They comprise trans-EU transport links, energy grid connections and pan-EU telecommunications infrastructure.

## Transport Networks

The European Commission White Paper on transport, its *Roadmap to a Single European Transport Area*, and its proposal for the review of the guidelines for the Trans-European Network – Transport (TEN-T) have potential significance over the next decade.

The Welsh Government supports the principle of a trans-EU “core” network to be supported by national and regional “comprehensive” networks. We also agree with the wider EU ambition to encourage transport users to switch to forms of transport with lower carbon footprints. The Welsh Government is engaged in the negotiations on the draft regulations under which €37.1 billion is proposed for transport infrastructure. During 2012-2013 we will work to have Welsh interests reflected in the final legislative package, including the designation of key Welsh transport connections and potential infrastructure investments.

We will also explore the potential opportunities offered by other funding streams, such as Horizon 2020 and the Structural Funds, to improve and modernise our transport infrastructure and facilitate the shift to more environmentally friendly forms of travel.

## Energy Networks

The Connecting Europe Facility proposes €9.1 billion for energy infrastructure, energy security and development of renewable energy source networks. An example of these cross-border links is the Wales-Ireland Interconnector, a 160-mile link between the electricity transmission networks of Wales and Ireland being developed with EU funding. We will explore the development of a similar Interconnector with Ireland from Pembrokeshire.

## Telecommunications Networks

€9.2 billion is proposed to support investment in fast broadband networks and pan-European digital services. This fund aims to leverage other private and public money to meet European targets for broadband access (speeds of at least 30 Mbps, with at least 50 % of households subscribing to speeds above 100 Mbps by 2020).

The Welsh Government's Next Generation Broadband for Wales project has the potential to ensure that consumers and businesses in Wales have access to these services well ahead of the EU's 2020 target. This commitment, in the *Programme for Government*, seeks to ensure that all residential and business premises in Wales have access to next generation broadband by 2015 and that at least 50 % have access to 100 Mbps services. The Connecting Europe Facility has potential to complement activity in Wales over and above our own project and to stimulate additional private sector investment.

Our connectivity with other Member States is critical if we are to exploit the opportunities presented by the Single Market and to achieve our ambition of delivering sustainable growth. The Welsh Government will actively pursue the potential of the Connecting Europe Facility to support major infrastructure investments, international connectivity and to benefit the environment.



## Horizon 2020: Support for Research, Development, Innovation and Science

A priority for the Welsh Government is boosting research and innovation activity in Wales. This is consistent with the aims of the EU as expressed in the objectives of its Horizon 2020 initiative, a proposal for an €80 billion research and innovation funding programme for 2014-2020.

The Welsh Government is developing a new Innovation Strategy for Wales, which will be designed to ensure that future EU funding is targeted at areas where Wales has a recognised, globally competitive position.

We recognise the importance of EU support for science in Wales and the potential impact of this for growth and prosperity. In *Science for Wales* we set out the principles underpinning our approach, including actively seeking collaboration with the best partners in Europe, and beyond, and attracting innovation capability and investment into Wales. We have particular priorities in life sciences and health; low carbon, energy and the environment; and advanced engineering and materials.

The Welsh Government acknowledges that Wales must improve its performance in winning external, competitive research and development funding. This includes the current funding scheme – known as the Seventh Framework Programme – and the forthcoming Horizon 2020. While the Structural Funds cannot support basic or fundamental research, they can and should be used to facilitate capacity building to increase the industrial and research and development competitiveness of Wales.

We are engaged in the development of the Horizon 2020 initiative and will work towards ensuring that the programme is designed to complement the Structural Funds. We aim to see simplification of the application process to reduce the burden on SMEs and other bidders. Our aim is to increase the overall competitive research funding into Wales significantly from the current levels of around 2 % of the UK total.



## Education, Skills, Employment and Social Inclusion

The Welsh Government recognises that educational attainment and skills levels are closely linked to employability and our attractiveness to business. We similarly recognise that the higher the employment rate, the lower the incidence of poverty. These are largely Welsh Government policy areas (though welfare reform is not devolved) but EU support has a role to play through the objectives of Europe 2020 and the European Social Fund, a strand of the Structural funds.

The Welsh Government regards poverty prevention as a key aim, especially through investment seeking to ensure children are provided with the best possible start in life. Our objectives are to reduce inequalities at the earliest possible stage and to break the link between socio-economic disadvantage, educational underachievement and the impact of these on life chances.

Our approach to education and training seeks to reduce the number of young people leaving education early and to raise skills levels. The *Programme for Government* supports these aims by introducing new employment programmes to provide young people with training and work experience through increased investment in skills.

The Welsh Government aims to raise skill levels with a view to stimulating an improved employment rate, particularly skilled jobs attracting higher earnings levels. This objective, which is in line with the EU's vision set out in Europe 2020, aims to contribute positive long-term impact on productivity, growth, household incomes and child poverty.



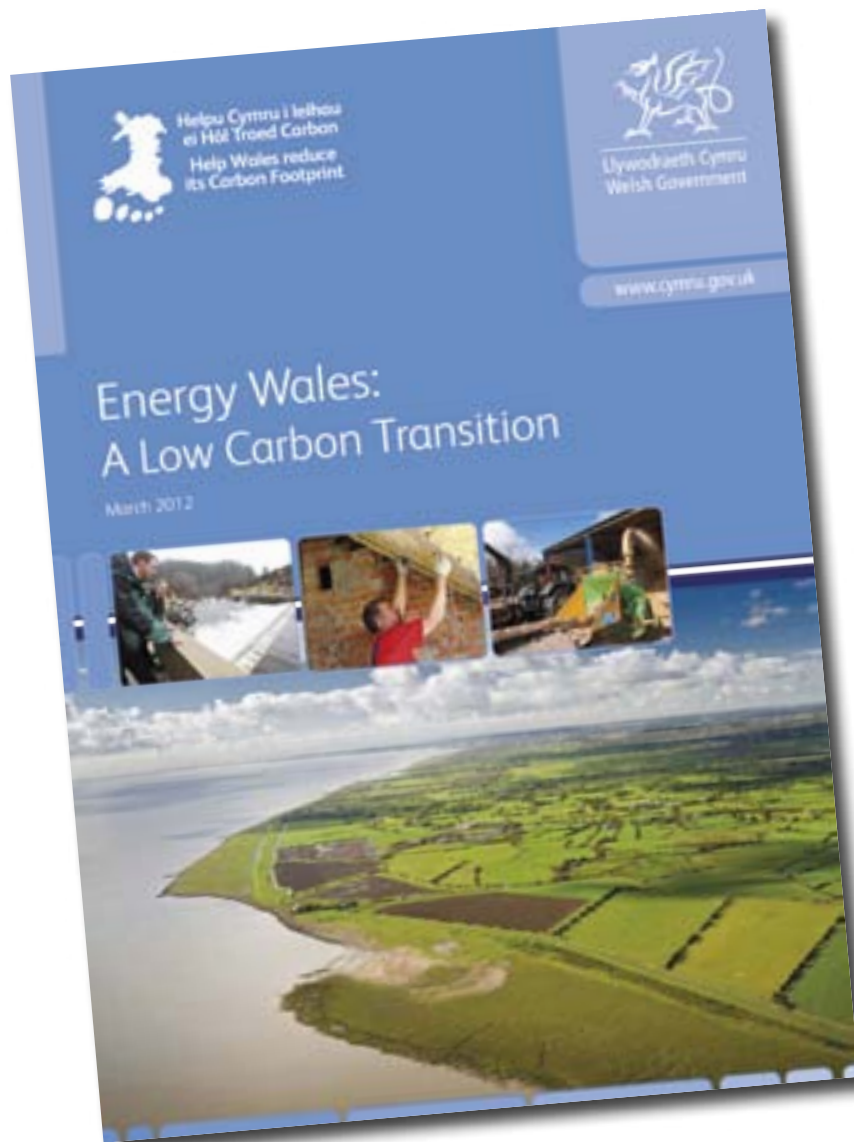


## Energy

As set out in *Energy Wales: A Low Carbon Transition*, the Welsh Government's ambition is to create a low-carbon economy that delivers a wealthy future for Wales, making sure that Wales is at the forefront of the transition and taking full advantage of the potential for jobs and long-term economic development at every step along the way.

Our ambition is fully aligned with the EU *Energy Road Map 2050* in aiming for decarbonisation, prioritising energy efficiency and renewable generation and focusing on strategically planning the energy infrastructure required. Wales has a renowned academic and innovation base and already supports 29,000 jobs in the renewable and low-carbon sectors. Allied to our significant natural resources, it means that energy offers a golden opportunity for Wales. In grasping this opportunity and working towards our ambition, we are determined to play a leading role in delivering against EU energy and wider low-carbon, economic and climate change objectives.

The Welsh Government will work to provide leadership on energy, maximise the economic and community benefits and act now to plan strategically for the long-term energy future as set out in *Energy Wales*. In doing so, we will work actively in partnership within the EU in seeking to achieve our shared energy aspirations.



## Climate Change

Decisive action to tackle climate change is a priority for the Welsh Government and is reflected in our *Programme for Government*. We believe leadership is required at all levels to drive the actions needed to reduce greenhouse gas emissions and to achieve a binding long-term global deal. The EU is uniquely placed to lead international efforts.

Working through the UK as our Member State, the Welsh Government has consistently encouraged the EU to move to a 30 % emission reduction target for 2020. Emission reductions through the EU Emissions Trading System (EU ETS) will contribute significantly to the Welsh Government's own target of a 40 % reduction in emissions. We believe the EU ETS remains the most effective regime for delivering emission reductions from energy-intensive industry, as long as the scheme is implemented in a way that safeguards the competitiveness of Welsh businesses. In Wales we need to position ourselves at the forefront of a low-carbon future, encouraging innovation in low-carbon technologies.

While working to improve Wales' capacity to manage the consequences of climate change we contribute to the EU's Impact and Adaptation Steering Group and have recently helped establish the EU's Adaptation Clearinghouse web portal to facilitate the sharing of good practice on approaches to adaptation.

The Welsh Government will continue to work in support of EU-wide work to enhance international commitments to reduce emissions, and to deliver programmes that help ensure we manage effectively the consequences of a changing climate in the decades ahead.



1. Cycling in Cardiff
2. Fitting insulation
3. Solar panels



## The Environment

Our natural resources and the beauty of our countryside and coastline are among Wales' most important assets. The Welsh Government will work with partners in Wales, the UK and the EU to ensure that the environmental interests of Wales are considered during the policy-making process and linked to the various strands of EU funding.

We will seek to influence EU environment policy by engaging at an early stage in negotiations on issues that impact upon devolved functions, for example on the forthcoming reviews of water, air and waste legislation. We will do this through discussions with the UK Government on the UK Member State negotiating position and through direct interaction with the EU institutions. We will seek to support lobbying efforts of networks, NGOs, regions and other Member States where such lobbying can amplify our message.

We will work with the EU institutions to ensure that our environmental obligations are fully met, thereby mitigating the risks, including financial and legal, of poor or incorrect application of EU law. Equally, we will guard against the risk that an EU policy could contradict established Welsh policy or law. For example, we would resist any proposals that could undermine Wales' status as a GMO-free nation.

Wales is leading by example. Resource use is high on the EU agenda and our *Towards Zero Waste* strategy demonstrates a high level of ambition on recycling, composting food waste and reducing landfill. Our charging scheme for single-use carrier bags provides a further, innovative example of our commitment in this area.

We will engage with the EU institutions to ensure that the environment of Wales is considered during policy development and to ensure that we fulfil our environmental obligations.



## Health

Historically, the EU's health agenda has focused on three issues: improving citizens' health security; promoting health including the reduction of health inequalities; and disseminating health information. The EU has a Public Health Programme with some €3.2 billion available during the current (2007-2013) funding period, which allows a range of actors from across the Union to bid for resources to promote a health agenda in line with the overarching European objectives.

Much of the EU's agenda, especially work in tackling health inequalities and health impact assessments, complements the approach adopted in Wales. Greater Welsh involvement in the next Public Health Programme will enable us to raise our profile through excellence and sharing learning with other regions and bodies across the Union.

However, action on health is not restricted to the public health agenda. Increasingly, many EU proposals, such as on Single Market legislation, workers' rights and mutual recognition of qualifications, impact on the way we plan and deliver health services in Wales. Similarly, other EU programmes, such as Horizon 2020, also represent a significant opportunity for health sector-related activity, including work in the life sciences, in Wales.

We are committed to engaging with the UK Government and the EU institutions to seek to ensure that health legislation reflects the increasingly distinctive Welsh National Health Service. For funding programmes, we will adopt a co-operative approach to facilitate bids from Welsh organisations in the health field.



## Fulfilling our EU obligations

The Welsh Government aims to promote and protect the policy interests of Wales under EU legislation.

Welsh Ministers are required to implement any EU obligations that impact on devolved issues. The Government of Wales Act 2006 (Section 80(1)) states that an EU obligation of the UK is also an obligation of the Welsh Government where it applies to our devolved functions. The Welsh Government must therefore ensure compliance with existing EU legislation and the correct transposition of future legislation. Failure to apply or transpose EU law correctly can lead to legal action (known as infraction proceedings) from the European Commission and ultimately a ruling or a fine by the Court of Justice of the European Union.

The Concordat on the Co-ordination of EU Policy Issues under the Memorandum of Understanding between the UK Government and Devolved Administrations sets out the handling of EU Policy issues. It states that financial costs and penalties imposed on the UK arising from the failure of implementation or enforcement by a Devolved Administration on a matter falling within its responsibility will be borne by the Devolved Administration.

The Welsh Government will implement and apply EU law in Wales relating to devolved responsibilities. We will continue to work closely with the UK Government, as the representative of the Member State, on developing and implementing legislation and dealing with any potential infractions.



Participants in the  
Mock Council of  
the European Union  
2011 event

# Raising the profile of Wales in the EU and promoting engagement with the EU in Wales

The Welsh Government is a committed partner within the European Union and our aim is to engage actively and visibly. By maximising the levers at our disposal, we will continue to work to raise greater awareness of Wales within the EU through promoting the best of what we have to offer – in social, environmental, educational, economic, tourism and cultural terms – and through building relationships with other nations and regions through partnerships, networks and involvement with local organisations.

This profile-raising work is linked to strengthening our influence to assist us in delivering on our policy objectives.

We will project a positive image of Wales as a nation proud of its culture and achievements and as a dynamic, engaged, outward-facing partner.

## Raising the profile of Wales through excellence and sharing learning

We will promote best practice from Wales among policy-makers from the EU institutions and other regions and nations through events and participation in EU initiatives. Among the areas where Wales is recognised as a leader are our integration of sustainable development into policy-making, enterprise education, the use of financial engineering instruments to promote access to finance by small and medium-sized firms, our Farming Connect support service for farm and forestry businesses, and the promotion of the Welsh language, which has resonance in Europe's many bilingual communities.

We will promote the sharing of best practice from Wales and will raise our profile with the EU through our excellence and expertise.

## Promoting Wales in Brussels

The Welsh Government is committed to maintaining its EU Office in Brussels to promote and protect the interests of Wales through the EU institutions as well as to increase the profile of Wales in the European Union.

The EU Office supports Ministers in their EU work and provides intelligence and interpretation on EU affairs across the Welsh Government's portfolio of interests. The office also acts as a platform for networking and cultural events, which are designed for building relationships, lobbying decision-makers and growing our influence.



Our cultural activities raise awareness of Wales and our distinctive culture among a wide EU audience and activities are often organised in partnership with other nations, regions or organisations so as to build beneficial relationships that can lead to future collaboration, exchanges, joint projects and residencies. Such events will often be anchored to major cultural initiatives or themes, such as the World Music Expo (WOMEX), which will take place in Cardiff in 2013, the centenary in 2014 of Dylan Thomas' birth or the commemorations of the First World War, and complement our wider international work on profile-raising.

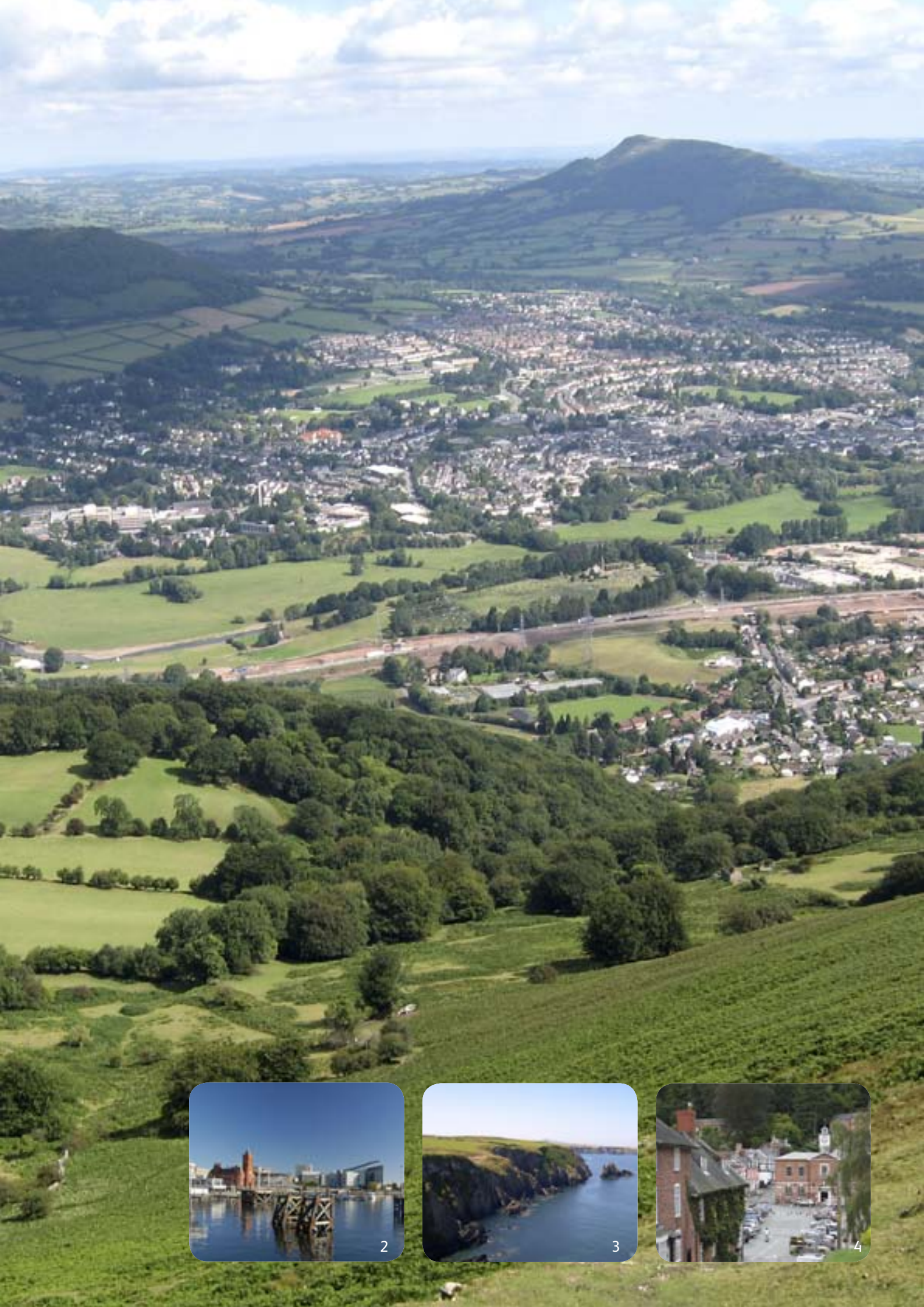
We will continue to raise Wales' profile in Brussels through policy and cultural events anchored to our Programme for Government and our major cultural initiatives.

## Promoting Wales through tourism and transport links

In 2011, Wales attracted 600,000 visitors from other EU Member States, who collectively spent £169 million. Visit Wales actively targets marketing in the EU through agencies in Member States, including France, the Netherlands, Germany, Italy, Belgium and Spain. It undertakes campaigns in these and other EU countries and promotes websites and brochures in EU languages to provide information to potential visitors.

Air services to and from Wales are vital to promoting business, trade and tourism. In this context, air connectivity to key EU cities and markets is particularly important and Wales has successfully attracted new routes to Zurich, Barcelona and, from June 2012, Alicante and Palma. To build on this, the Welsh Government is exploring potential measures to attract new air routes within the framework of the EU's State aid rules.

We are committed to promoting Wales as a tourism destination and working towards attracting a more diverse and frequent range of air services to and from Wales.





## Educational and cultural links

The Welsh Government and the Welsh education sector – schools, further education colleges and universities – have long been working to develop links with counterparts across the EU to share good practice, and to help pupils and students in further and higher education to work or study abroad. For example, we have signed agreements with Catalonia and Tuscany that have enabled further education students from across Wales to go on work placements to these regions, thereby increasing their employability, language skills, self-esteem and motivation.

The EU's education and youth programmes support such mobility and contribute to prosperity and quality of life. They are also important as they offer a significant funding opportunity for Welsh language projects and we believe, therefore, that the new programmes for 2014-2020 should pay particular attention to less widely-used languages.

Similarly, the Welsh Government and our partner organisations have a strong cultural network across the European Union. These connections enable policy collaboration and joint projects on topics such as the economic impact of the cultural sector, or skills mobility, that can be funded through the EU Culture and Media programmes.

The Welsh Government will work to raise awareness of the opportunities presented by EU programmes on lifelong learning, youth, culture and creative industries with a view to increasing participation levels from Wales

## Promoting engagement with the EU in Wales

The Welsh Government promotes a communications programme aimed at raising awareness of EU issues among partners and the wider public through events such as the Wales Forum on Europe. We also aim to promote opportunities for partners and civil society to participate in EU policy formation.

We organise an annual “Mock Council of the European Union” event, jointly with the European Commission, aimed at secondary schools and colleges from across Wales. The event is usually hosted by the First Minister or the Minister for Education and Skills and includes participation of students from one of our partner regions in the EU.

We will continue to work with others to raise awareness of EU issues in Wales.

1. A view towards Abergavenny
2. Cardiff Bay
3. Pembrokeshire Coastline
4. Montgomery

# Influencing EU policy-making

The Welsh Government works constructively with the UK Government, EU institutions and other Devolved Administrations to pursue an informed and active role in EU policy development.

## Wales and the UK Government

Under the terms of the devolution settlement, competence for EU Council negotiation rests with the UK Government as it represents the Member State. The Welsh Government's formal participation in the UK's EU policy-making process is implemented in a number of ways. The Welsh Government participates in the Joint Ministerial Committee on Europe, which draws together UK Government Departments and the Devolved Administrations to consider the broad, strategic approach towards EU policy. Other meetings at Ministerial and official level further strengthen co-operation between the respective administrations. In Brussels the Welsh Government's EU Office works closely with the UK's Permanent Representation to the EU and colleagues from the other UK Devolved Administrations.

We will continue to work constructively with the UK Government and Devolved Administrations to influence the development of EU policies.

## The Council of the European Union

The Welsh Government has access to all the EU institutions. This includes the Council of the European Union, in which the governments of the Member States are represented by their Ministers. There are twelve Council formations, based on subject areas, in which Ministers of the Member States participate. Welsh Ministers participate in meetings of the Council as part of the UK delegation, with the agreement of the responsible UK Secretary of State. Since 2008, Ministers have had the option of speaking Welsh at the Council with full translation into the EU's 23 official languages.

The Presidency of the Council of the EU rotates on a six-monthly basis with each Member State identifying a set of priorities for its term in office. The Treaty of Lisbon also introduced the concept of a trio Presidency whereby three consecutive Presidencies agree a programme of action. As part of our annual reporting process, we are committed to analysing and reporting on these programmes.

Welsh Ministers will participate in the Council of the European Union, as part of the UK delegation, on matters of interest to Wales and aim to influence positive outcomes.

## The European Parliament

Members of the European Parliament are directly elected every five years by the citizens of the Member States. Wales elects four MEPs by an all-Wales proportional list system.

The European Parliament, jointly with the Council, decides on the vast majority of EU legislation. The Parliament has influence and responsibilities in nearly all the policy areas devolved to Wales. The Welsh Government aims to work with Wales' MEPs through regular briefing and contacts and we will maintain relationships with other MEPs influential in areas of most interest to us. We will also seek to raise awareness among our own officials of the importance of the European Parliament and how it works.

The Welsh Government works well with Wales' MEPs and will continue to do so to promote the interests of Wales. We will also continue to engage with other MEPs influential on areas of most interest to us.

## The European Commission

The European Commission's main function is as the initiator of EU legislation, for which it has, in general, sole responsibility. The Welsh Government's EU office plays an important role in accessing emerging drafts as early as possible in order to influence their development. An important stage in this process is monitoring the Commission's own strategic planning process and annual Work Programme. We will include an analysis of forthcoming Commission proposals and strategic priorities in our own Work Programme.

The Commission (along with the European Court of Justice) also monitors compliance with EU law. As already noted, non-compliance in these areas can have major financial consequences for Wales.

The Welsh Government is committed to maintaining close contact and dialogue with the Commission both through our EU Office and via the Commission's office in Cardiff.

## The Committee of the Regions

The Committee of the Regions is composed of elected representatives from regional and local bodies across the EU. The Commission and the Council are obliged to consult with the Committee on all proposals that might concern regional and local government. Wales has two full seats and two alternate seats, drawn from the National Assembly and local government. Members are not bound by instructions but the Welsh Government is committed to supporting their work as required.

Since 2008, Members have had the option of speaking Welsh at plenary sessions of the Committee under an agreement negotiated by the Welsh Government.





## The European Economic and Social Committee

The European Economic and Social Committee is a consultative body drawing opinion and expertise from civil society. Wales currently has three seats within the UK delegation, nominated by the First Minister, and reflecting a spread of expertise across Welsh civil society. The body must be consulted on proposals from the Commission before they go to the Council. As with the Committee of the Regions, members may now also use the Welsh language.

## Relations with EU regions and Member States

The Welsh Government has co-operative relationships with European regions and countries such as Baden-Württemberg, Catalonia, the Basque Country, Brittany, Silesia and Latvia. With Brittany, for example, we are jointly exploring the potential new energy sources.

We are a member of the Conference of Peripheral Maritime Regions and collaborate with other regions on policies of common interest. We are active in networks including the European Association of Regional and Local Authorities for Lifelong Learning, the GMO-Free Network, the Network for the Promotion of Linguistic Diversity, the Network of Regional Governments for Sustainable Development, Eurada (on regional development) and Regions with Legislative Powers.

Wales benefits from participation in European Territorial Co-operation (ETC) programmes for 2007-2013: Ireland-Wales (cross-border), North-West Europe and Atlantic Area (transnational) and Interreg IVC and Urbact (inter-regional). These programmes address economic, environmental and social issues that cut across national borders and provide opportunity for EU regions to work together, share best practice and transfer knowledge to provide solutions to common challenges.

The Welsh Government will work closely with the UK Government and other EU Member States to develop and influence the evolution of 2014-2020 ETC programmes, which will be aligned with the Europe 2020 strategy. Wales will look to build on the progress being made by engaging with other EU regions to maximise our interests and raise our international profile. In doing so, careful consideration will be given to the most effective means of integrating internationalisation with economic development priorities for Wales.

The Welsh Government is outward-looking and committed to co-operating with others on transnational and inter-regional projects; and to co-operating on EU policy proposals when collective positions have more influence.

## EU Expertise

Continuously developing and refreshing EU expertise is vital if we are to deliver on our aspirations. The Welsh Government is committed to building relevant EU expertise within Wales by ensuring that opportunities are created for our officials to experience working in and with the European institutions. We will also identify appropriate formal and informal training opportunities to consolidate and develop our existing corporate knowledge base.

We will continue to support selective secondments and short-term attachments to EU institutions as a means of developing expertise and raising Wales' profile within the EU. We also aim to stimulate Welsh representatives, from within and outside Government, being included on EU expert groups.

## Next Steps: Work Programme and Annual Report

The Welsh Government's priority is to promote and protect the interests of Wales and to deliver the best possible outcomes for our citizens. This document sets out our strategic approach to productive relations with the European Union as a contribution to achieving this goal. It illustrates how this effort contributes significantly to the goals of our *Programme for Government*. It also demonstrates how our policy approach is coherent with that of the European Union as a whole.

Our strategy has a particular focus on the development of the medium and long term policy direction of the Union. We will seek to influence policy to protect Welsh interests and to help us deliver our own priorities, as set out in the Programme for Government. We will take forward the next generation of EU programmes in Wales, particularly in terms of improving our access to the competitive funding streams that will influence growth.

The Welsh Government will produce an annual Work Programme on EU-related issues. This will be linked to the European Commission's annual Work Programme and the priorities of the rotating Presidency of the Council. We will identify specific policy initiatives and legislative proposals on which we will focus for the year ahead. Each Work Programme will be followed, at the end of the year, by an Annual Report on our activities and progress, to pinpoint decisive moments and to map progress.

In this way, we aim to strengthen our partnership with the EU as we strive to build sustainable prosperity in Wales.