

Wales and the European Union

Annual Report for 2014 and Work Programme for 2015

Introduction

The Welsh Government's EU Strategy, *Wales and the European Union* (2012), contains a commitment to produce an Annual Report on activities and progress, along with an annual Work Programme, for the forthcoming year. It reports on the individual commitments given under the various objectives in the Strategy and sets out the Welsh Government's approach to the European Union. *Wales and the European Union* shows how the EU's goals, described in its own *Europe 2020* strategy, complement our Programme for Government and it identifies a series of objectives for the Welsh Government on relations with the EU, on policy areas and promoting engagement. It also outlines how we seek to influence EU policy-making.

The EU has a major impact on the lives of people in Wales and plays an important role in our nation's prosperity. The European Single Market has had 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 is an essential part of Wales' appeal to global investors.

This Report describes a series of practical achievements across a range of Welsh Government activities that are having a tangible effect on our quality of life. These include the investment of over £1.9bn of EU Structural Funds in 290 projects, representing £3.7bn of total project investment (including match funding) across Wales, cumulatively up to the end of 2014 for the 2007-2013 programmes. This investment has helped EU projects to deliver important benefits for people, businesses, the environment, and communities during 2014, supporting some 190,800 people to gain qualifications and over 62,800 into work, and creating some 30,600 jobs and over 10,400 enterprises. Towards the end of 2014, Wales was the first nation in the UK and among the front runners in the EU, to have its £2 billion Structural Funds programmes for 2014-2020 approved by the European Commission. In agriculture, Wales has maintained its share of CAP funding as a result of strong engagement with CAP reform, with vital income support payments provided to 16,000 farm businesses across Wales.

Effective engagement with the EU is important for Wales. The 2014 Report of the Constitutional and Legislative Affairs Committee on *Wales' Role in the EU Decision-Making Process* presented a generally positive view of the way the Welsh Government pursues Welsh interests in the EU. It also acknowledged the role of the Joint Ministerial Committee on Europe in enabling the Ministers of the Devolved Administrations and UK Government to exchange views on EU matters and to maintain a co-ordinated approach and the effectiveness of our EU Office in Brussels. Our membership of the EU, and our participation in the development and

implementation of its policies and programmes, contribute greatly to achieving the goals set out in our Programme for Government.

March 2015.

The Welsh Government's objectives for its relations with the EU

Promoting and protecting the interests of Wales

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

This is an overall obligation that has been fulfilled as outlined in the individual commitments below.

The Single Market: Trade and 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.

2014 Annual Report

Other European countries continue to be a rich and consistent source of inward investment for Wales, whether from companies new to Wales or companies reinvesting here. This has been evidenced with an increased number of projects recorded from EU countries. During 2013/14 Wales secured 26 projects with the direct creation and safeguarding of 7,500 jobs from companies headquartered in continental Europe. This has been achieved through close collaboration between the trade and investment team based in the WG Brussels Office and the Wales-based sector teams.

The European market similarly remains a priority for UK Trade and Investment (UKTI). This is reflected with increased projects into the UK secured from the key markets of France, German, Italy and Spain, covering a variety of sectors including life sciences, creative, food, advanced manufacturing and energy. The Welsh Government continues to build strong relationships with UKTI teams across the continent and has partnered on several occasions in company targeting and event attendance. This has included events and meetings in Rome, Madrid, Barcelona, Berlin, Dusseldorf, Naples, Paris, Toulouse, Amsterdam, Lyon, Luxembourg, Stockholm and Warsaw. By working with UKTI in-market intelligence is shared both in terms of existing foreign investors as well as support to Welsh companies looking at exporting.

The Just Ask campaign material has to date been translated into Italian, German, French, Spanish and Catalan and has been disseminated widely to in-market intermediaries and stakeholders. This demonstrates our commitment to these

countries and regions of Europe and has proved extremely popular, with additional languages now under consideration.

A number of events have been supported including receptions at several venues where Ministers have been present to reinforce our commitment to existing investors. Recent examples include a Saint David's Day reception in Barcelona where the Minister for Economy, Science and Transport met with a major existing investor and a similar meeting in Naples where a large investor reaffirmed its commitment to Wales.

Officials attended a number of trade shows across a range of sectors. This included big data events, food technology, nuclear and aerospace. As a result of this activity, the Welsh proposition for investors has been shared with in excess of 500 companies and inward visits have been achieved as a result.

Presentations on the strength of the Welsh offering have been given to the investment teams at UKTI in the majority of EU markets. The relationship is now delivering earlier engagement with companies considering investment in the UK, leading directly to an enhanced pipeline of investment enquiries for Wales. This has been achieved by sharing examples and offering detailed case studies to the UKTI teams, giving them the confidence to promote Wales as an ideal location.

Strong relationships continue to be forged with key in-market multipliers such as chambers of commerce, examples being the Franco-British Chambers in Paris and Toulouse. This engagement has led to a number of companies undertaking inward visits to Wales to progress enquiries of expansion into the UK. More work is being undertaken to keep companies informed of key developments in Wales. Examples include the funding developments in the Life Sciences sector and research activities in our universities.

Our support for exports to the Single Market was demonstrated as EU Member States featured prominently in the Explore Export event we hosted in Cardiff in November. We also ran seminars and workshops to provide information and advice to companies about trading in the Single Market. Many of these companies have registered for the International Trade Opportunities programme.

In conjunction with the tailored support packages provided by Wales-based advisers the Brussels team offered In-market support through introductions to potential distributors and customers and the wider UKTI network of sector specialists.

On the policy side, the Government also responded to the European Commission's public consultation on the revision of the Small Business Act, which is the name given to the EU's policies that support SMEs and entrepreneurs.

2015 Work Programme

Building on the success of the trade and investment work in 2014/15 further in-market activities are planned for 15/16. These will entail continued development of relationships with key multipliers such as UKTI and chambers of commerce. One such example is the opportunity for the team to attend and present to the UKTI network in Germany at its annual conference. This is the first time Wales has been

invited and offers the opportunity to update investment officers on the key sector strengths in Wales.

We have committed to a number of trade events for 2015, again focusing on our key sectors, such as the Paris Air Show for our aerospace sector and Anuga FoodTec in Cologne to highlight the work done within the Welsh food sector. We have received a number of requests from UKTI to contribute to events and are busy arranging a number of inward visits. For example the Scandinavian UKTI teams are visiting Wales to engage with existing investors and, with our support, help these companies grow.

Our European network now extends to not only UKTI but European trade associations such as industrial clusters and academic associations. Examples include partnering with such associations as the Madrid life sciences cluster to promote the Welsh Life Sciences Hub and the Airbus supply chain with the Italian aerospace sector.

We are committed to using events as a mechanism to promote Wales and business opportunities. We work closely with a number of Welsh partners to promote trade and we were pleased in March this year to work in conjunction with the WRU and Meat Promotion Wales/Hybu Cig Cymru to promote Welsh lamb in Italy. Over 20 key customers, along with their supply chains, enjoyed Welsh lamb and gave a commitment to future orders supporting our industry. We will continue to provide support for our exporters, both in-market and through the packages offered by the Wales-based teams.

Early plans are being developed for focused sector events in Paris and Madrid, which UKTI locally will support with company introductions. The team will continue to identify opportunities in market for Ministerial involvement, which have delivered enquires for the inward investment pipeline.

The Europe 2020 Strategy: Jobs and Growth

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.

2014 Annual Report

In 2014, Welsh Government officials worked closely with the Treasury and other departments across Whitehall to ensure that the UK's 2014 National Reform Programme (NRP) incorporated the actions and initiatives undertaken by the Welsh Government to tackle structural reform challenges in areas of devolved competence.

All Member States submit NRPs outlining their reform plans to promote growth and employment. This is done on an annual basis as part of the EU's Europe 2020 strategy for smart, sustainable and inclusive growth. The UK's 2014 NRP included the actions taken to address the five headline targets of the strategy on: Employment; Education; Social Exclusion and Poverty Reduction; Research and Development and Innovation; and Climate Change and Energy.

In addition, in October 2014, the Welsh Government responded to the European Commission's public consultation on the mid-term review of the Europe 2020 strategy. The response emphasised the Welsh Government's commitment to continuing to play a positive and proactive role within the EU in order to maximise the clear benefits that EU membership brings to citizens, businesses and communities throughout Wales.

The Welsh Government's response also stated our full support for the Commission's continued priority focus on growth and jobs, highlighting the fact that many of the aims and objectives of the Welsh Government's Programme for Government reflected this priority. The Welsh Government made recommendations for consideration by the Commission:

- Ensure that there is adherence to the principles of subsidiarity and proportionality and that the regions continue to play an important role in the delivery of the Europe 2020 strategy.
- Guarantee that the strategy retains a balanced focus on rebuilding economic growth, increasing employment levels and ensuring greater social cohesion with lower levels of poverty.
- Continue the policy of focusing support from the EU Structural and Investment Funds on achieving the Europe 2020 objectives.
- Make more effective use of the European Semester process, through the National Reform Programmes and Country-Specific Recommendations, so that examples of best practice in implementing structural reforms, at both the Member State and regional levels, are disseminated, and potentially adopted, across the EU.
- Provide greater clarity on the transition to the 2050 target to reduce overall greenhouse gas emissions by 80% below 1990 levels.
- Continue the work on regulatory reform, particularly where it applies to small and medium-sized enterprises, providing this does not impact negatively on workers' rights, especially in relation to health and safety legislation.
- Secure the completion of the Single Market.

2015 Work Programme

The Welsh Government will continue to engage early with the Treasury and other relevant departments across Whitehall to ensure that policies, initiatives and actions undertaken by the Welsh Government are incorporated in the UK's 2015 NRP and contribute to the targets of the Europe 2020 strategy.

In addition, the Welsh Government looks forward to the outcome of the mid-term review of the Europe 2020 strategy and will engage with the European institutions with regard to the package of measures announced in the Commission's 2015 work programme to strengthen the Single Market and Digital Single Market Strategy. The Government is committed to a smarter, better connected society and economy and we will pay particular attention to the areas in the Digital Single Market proposal which look at creating a digital economy and society, through measures such as e-services, digital inclusion and the potential of big data and the cloud.

The EU Budget for 2014-2020

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.

2014 Annual Report

With the adoption of the Multiannual Financial Framework (MFF) for 2014-2020 towards the end of 2013, the focus of work moved on to the agreement and implementation of the EU funding programmes under the overall MFF, including those relating to the Structural and Investment Funds, the Common Agricultural Policy and Common Fisheries Policy, Horizon 2020 and the Connecting Europe Facility, as outlined later in this document.

2015 Work Programme

One of the new Commission's most ambitious initiatives is President Juncker's Investment Plan for Europe. This aims to tackle Europe's crisis of underinvestment through mobilising additional, principally private sector, investment over the next 3 to 4 years.

The Minister for Finance and Government Business is exploring the opportunities presented by the Investment Plan's proposed European Fund for Strategic Investments (EFSI) which she has discussed with the lead official from the Private Office of Commission Vice President Jyrki Katainen (Jobs, Growth, Investment and Competitiveness). Officials are also involved in regular discussions with the UK Government, the other Devolved Administrations, the UK Representation to the EU and the relevant EU institutions. To date the Welsh Government has ten projects on the indicative project pipeline for the UK, which is another element of the Plan.

The Investment Plan is part of a wider growth agenda and will be accompanied by a number of growth-enhancing reforms in the areas of better regulation, a Capital Markets Union and eliminating barriers to the Single Market.

The Commission introduced the relevant legislation in January 2015. It is expected that the Latvian EU Presidency will broker agreement on the legislation by June 2015, including the establishment of the EFSI which, if adopted, should be operational in the second half of 2015.

The Structural Funds: Regional Economic Development

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.

2014 Annual Report

As of 31 December 2014, the Welsh European Funding Office (WEFO) had invested over £1.9bn of EU Structural Funds in 290 projects, representing £3.7bn of total

project investment (including match funding) across Wales under the 2007-2013 Programmes.

This investment enabled EU-funded projects to support 189,400 participants to gain qualifications, 61,300 into work and 46,100 into further learning. In addition, some 30,400 (gross) jobs and over 10,400 enterprises have been created. WEFO also met all of its annual expenditure targets across all four programmes agreed with the European Commission. Securing the best possible outcomes from this investment continued to be the main focus as we moved towards closure of these programmes in 2015. Careful monitoring of expenditure and progress is central to maximising the value and impact of these funds for the benefit of Wales. It is also important to evaluate the impact of the Programmes robustly and a number of project and programme level evaluations are currently underway that will help us to determine what has worked well so that the outcomes of future investments are maximised for the benefit of people, businesses and communities across Wales.

A major milestone was also achieved towards the end of 2014 with approval by the European Commission of the next round of Structural Funds programmes for Wales worth around £2 billion of EU funds between 2014 and 2020.

This significant achievement was a result of early and positive negotiations with the European Commission. It meant that Wales was the first nation in the UK, and was amongst the front runners in Europe, to have its programmes agreed. This was soon followed in December by the first project approval of £20 million of EU funds for Aberystwyth University's £35m Innovation and Enterprise Campus.

Our new investment priorities are aligned with the strategic direction of our Programme for Government. They strongly focus on greater concentration and prioritisation of available resources to help drive economic growth and generate jobs. They also focus on key strategies, including our Science for Wales strategy, our Wales Infrastructure Investment Plan, Europe 2020 and the Structural Funds Regulations for 2014-2020.

Our EU investment priorities in Wales are: Research and Innovation; SME Competitiveness; Renewable Energy and Energy Efficiency; Connectivity and Urban Development; Tackling Poverty through Sustainable Employment; Skills for Growth, and Youth Employment and Attainment.

Launch events for the 2014-2020 programmes were held in North and South Wales in November. These followed a number of other events and workshops held across Wales on the implementation arrangements for stakeholders and potential sponsors to help them with the planning and development of EU projects in readiness for approval of the new programmes.

2015 Work Programme

Collaboration with partners and potential sponsors will continue during 2015 to ensure that the best projects come forward and are prioritised for support from EU funds. The Economic Prioritisation Framework, which complements the Operational Programmes, will assist in identifying an overall portfolio of EU-funded projects –

backbone projects and complementary projects – which can address emerging strategic and economic opportunities and maximise the impact of the EU funds.

We will continue to work with partners and stakeholders to implement the €100m Ireland-Wales European Territorial Co-operation (ETC) Programme 2014-2020 for which WEFO will be the Managing Authority. This cross-border Programme was approved in February 2015 and will provide the opportunity for Welsh and Irish organisations to work in partnership in the fields of innovation, adaptation to climate change, culture, heritage and tourism. A formal launch of the programme was held in Swansea on 26 March.

WEFO will continue to develop its relationships with EU regions and within the UK to inform and influence development of the transnational and inter-regional programmes in which Wales is able to participate. Together with Ireland/Wales, the 2014-2020 Atlantic Area, North-West Europe, INTERREG Europe, URBACT, ESPON and INTERACT programmes are worth €1.55b across the participating regions of the EU WEFO will refresh an ETC Strategy for Wales in 2015 which will provide a framework for working closely with stakeholders, building upon success to date and, maximising ETC engagement in Wales.

Synergies between Structural Funds and other EU funding programmes managed directly by the Commission, such as Horizon 2020 and Erasmus+, are also important and we will continue to support the work of a small panel of EU Funding Ambassadors to help promote and maximise opportunities presented by the EU's directly managed funding programmes.

The Common Agricultural Policy (CAP)

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.

2014 Annual Report

Wales has maintained its share of CAP funding as a result of strong engagement with CAP reform, which led to political agreement of the regulatory framework in June 2013 and a good outcome from intra-UK negotiations on the budget. Policy proposals were developed and subject to consultation, with a high level of public engagement. Decisions were communicated to the Commission in summer 2014 and domestic legislation passed in support.

In December 2014 the outcome of a judicial review challenging the definition of the payment regions for the Basic Payment Scheme caused the Welsh Government to recommence work on this aspect of Pillar 1 (i.e. the mechanism for making payments directly to farmers as income support.) The Commission has been informed and new proposals will be consulted on during spring 2015.

The Rural Development Plan (RDP) 2007-2013 continues to provide a wide range of support for the land-based sectors of the rural economy, agri-food businesses and the wider rural community. The annual target stipulating that funds allocated from the

EU budget must be spent within two years of the allocation (known as “N+2”) was met for 2014.

Under N+2 rules the programme will continue to deliver and spend up until 31 December 2015. Because of later than expected approval of EU regulations for the successor programme period, Commission transitional rules also allow new RDP 2007-2013 commitments to be made through 2014 and 2015 for continuity and a smooth transition between the current RDP and the successor programme.

A review of the total number of (gross) jobs created is currently being undertaken, with some 1,360 jobs confirmed. Just over 190 enterprises have been supported and just over 62,600 training days delivered, resulting in 22,100 participants successfully completing a training activity.

In developing the RDP for 2014-2020 the Minister for Natural Resources and Food launched a consultation in February 2014. Further policy development took place as details of the EU implementing regulations and delegated acts were published. From January 2014 the Minister also consulted on proposals for the Welsh Government's primary agri-environment scheme, Glastir. The outcomes of these consultations informed the development of the RDP 2014-2020 which was submitted to the European Commission in July 2014. The Welsh Government has been in dialogue with the European Commission over the winter months from 2014 into 2015 and approval of the RDP is within sight. We hope to have in-principle approval in the early part of 2015, with formal approval following in the summer.

Significant progress has been made in developing the potential schemes that will deliver the RDP to stakeholders and in designing the necessary administrative processes to run the schemes. Glastir Efficiency Grants provide part-funded payments for farmers to make capital investments to provide on-farm improvements in machinery and infrastructure. As of late 2014, 297 contracts are in place worth £7.62m to address energy, water and manure and slurry efficiencies. Funding for these activities will be available in future from the Sustainable Production Grants scheme.

Management of the environment is a central theme within the RDP covering a range of strategic objectives, including improving water quality, reducing pollution, halting the loss of biodiversity, managing climate change and preserving farmed landscapes and forests. 4,623 Glastir Entry contracts had been signed as of 1 January 2015 covering some 560,424 hectares, with 198 contracts under Glastir Commons covering just under 121,000 hectares. By the end of 2014 a total of 1,598 Glastir Advanced contracts have been signed; the total value of these contracts over the full 5 year contract period is £212.43m. A further 1,030 have registered expressions of interest for Glastir Advanced contracts to commence in 2016. 99.75% of these were submitted via the RPW Online service of Rural Payments Wales.

From 1 January 2015, 458 Glastir Organic contracts were in place, worth a total of £18.14m. As of 1 January 2015 some 263 Glastir Woodland Management contracts are in place, with a contract value of £9.26m. A woodland planting window under Glastir Woodland Creation is proposed for 2015 utilising the new Woodland Opportunities map.

Through the Single Payment Scheme, Rural Payments Wales processed payments to 90% of applicants on the first day of the payment period (1 December 2014). In total approximately 14,600 applications were processed for payment of about £180 million. This has been achieved at the same time as undertaking additional work to prepare for the new Basic Payment Scheme which replaces the Single Payment Scheme from 2015. In 2014, 32% of Single Application Form (SAF) applicants (5,569) chose to complete and submit their form online. The support and public endorsement of influential stakeholders within the farming industry was key to this success.

2015 Work Programme

Further policy development is taking place on details of the new arrangements for the Basic Payment Scheme in light of the outcome of the judicial review. These are being prepared in consultation with stakeholder bodies and will be the subject of public consultation before submission to the European Commission. RPW continues to advise claimants about arrangements for direct payments from 2015.

The Welsh Government is currently engaged in negotiations with the European Commission on its proposal for the RDP 2014-2020 and obtaining approval is a high priority. We hope to have in-principle approval in the early part of 2015, with formal approval following in the summer. Detailed implementation work will build on that achieved during 2014 with the aim of having a live programme from mid-2015.

In 2015, RPW Online will continue to expand with the addition of a service for expressions of interest in Glastir Woodland. The aim is for 80% of Single Application Form applicants to submit their form online. This will be achieved by continuing to work closely with key stakeholders and effective promotion of the many benefits of online applications.

The Common Fisheries Policy (CFP)

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.

2014 Annual Report

The reformed CFP, which came into force in 2014, is a statutory commitment placed upon the UK as a Member State and its delivery in Wales is devolved to the Welsh Government. The Welsh Government contributed significantly to UK negotiations on the reform of the CFP and we have already achieved the first milestone in regard to changes in the marketing of fishery products (with the introduction of tighter EU rules increasing accountability for the marketing of catches by the large Fish Producer Organisations. Other important changes required by the new CFP will be phased in over the next few years, most notably the discard ban. In 2014 we enabled the Commission to put in place the framework for the implementation of the pelagic rules (concerning fish such as herring and mackerel) in 2015 as part of greater regional management in the North West Waters of the Atlantic. We also began discussions on the implementation rules for the demersal discard ban, which concerns fish such as cod and hake, to be introduced in 2016.

We have also contributed to the fundamental changes required to the complex network of control and technical regulations that will need to be made. The agreement of fish quotas and other fishing opportunities for 2015 was also undertaken against the background of our obligations under the EU's Marine Strategy Framework Directive to comply with scientific advice and Maximum Sustainability Yield guidelines.

The main focus of our scientific work was implementation of a range of data collection and monitoring programmes to gain a better understanding of the effects the CFP reforms will have on our industry. This included data collection and observations on board a range of fishing vessels, together with observations at port the logistics and facilities that will be required for the industry to comply with the landing obligation.

In May 2014 the European Commission proposed to introduce a complete ban on all fishing using driftnets in EU waters from 1 January 2015. In Wales, there are numerous small-scale inshore fishermen around the coast actively using small-scale driftnets to fish for herring, bass, mullet and various other demersal species. While we are open to reviewing our practices we do not view the use of these nets as a problem in Welsh coastal waters.

We have worked intensively with the other UK Fisheries Administrations (all of whom share our deep concerns) to provide the appropriate response to the Commission on this matter. During the summer the Commission wrote to Member States that had voiced opposition to ask for details of the extent (economically and spatially) of the fishery in their waters.

In defining our position we have worked closely with the Inshore Fishery Groups and the Welsh Marine Fisheries Action Group, which advises our Ministers. In addition, we have worked with the various Welsh fishermen's associations who have expressed their concerns at the threat to their livelihoods.

2015 Work Programme

The key priorities for 2015 will be the implementation of the pelagic discard ban and the preparation ahead of 2016 of the framework for the introduction of the far more detailed demersal requirements. We will need to work closely with the other UK Administrations, the North West Waters Advisory Council, the European Commission and our own industry on getting the correct regime in place. There will be certain de minimis derogations available and we will need to establish whether exemptions to the more onerous conditions can be applied to our small scale coastal fisheries. Detailed negotiations on implementing the reforms, particularly on control issues and technical measures, will be ongoing, with the Welsh Government playing an active role.

Scientific work this year will again be focused towards preparing for the demersal landing obligation. Work is underway to initiate a programme of industry-led data collection as part of a co-management system to improve our understanding of the fisheries status of all of our commercially targeted species. Work has been commissioned to review the status and management options for the main

commercial and recreational targeted species, to provide an evidence base to underpin our management policies.

Preparation for the demersal landing obligation is a priority and all data and evidence needs on a regional basis will be collated and made available to all Member States. We are actively engaged and contributing to this, and will be utilising a range of data and evidence to enable us to apply for exemptions to the landing obligation.

We also expect to begin to consider applications for funding under the European Maritime and Fisheries Fund (EMFF) during 2015. We intend to use EMFF monies in Wales to support the implementation of the new CFP. In particular we expect to focus on the three main areas of “Smart Green” Fisheries, “Smart Green” aquaculture and Community-led Local Development in Fisheries communities, as well as using money that is ring-fenced within EMFF for data collection and enforcement.

The Commission is still to respond to the comments made by Member States in the autumn of 2014 regarding its proposed ban on driftnet fisheries. We continue to urge the European Parliament to endorse the calls from the UK and press for a withdrawal of the proposal. On a policy level we considered the introduction of “regionalised measures” but the draft report by the rapporteur of the Parliament’s Committee on Fisheries would still allow for many detailed conditions to be set at an EU-wide level. We have also rejected the idea of extending the ban to other fishing gear gillnets and trammel nets.

Sustainable Development

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.

2014 Annual Report

The Welsh Ministers have a duty under Section 79 of the Government of Wales Act 2006 to promote sustainable development in the exercise of their functions. The EU has wide jurisdiction over matters that can impact on sustainable development.

The Well-being of Future Generations (Wales) Bill was introduced to the National Assembly for Wales in July 2014. It is intended to improve the governance arrangements of specified public bodies to improve the economic, social and environmental well-being of Wales.

The Bill will require the specified public bodies to improve the economic, social and environmental well being of Wales by contributing to the achievement of a set of “well-being goals”. These have been designed to help Wales make a positive contribution to the international agenda. Specified public bodies must set and publish “well-being objectives” and take all reasonable steps to meet them. In doing so, they must act in ways that accord with the “sustainable development principle”.

In their evidence to the National Assembly for Wales’ Environment and Sustainability Committee’s consultation on the Bill, the UK National Commission for the United Nations Educational, Scientific and Cultural Organisation (UNESCO) stated that:

“2015 has the potential to be a pivotal year for sustainable development for both Wales and the wider world as the Well-being of Future Generations Bill could come into force as the UN Sustainable Development Goals are adopted and the UNESCO Decade of Education for Sustainable Development comes to a close. By adopting this Bill, Wales can be seen as a prominent contributor to and example of the global sustainable development agenda.”

2015 Work Programme

Subject to the approval of the National Assembly for Wales, the Well-being of Future Generations (Wales) Bill will receive Royal Assent in April 2015. In light of the relevance of the emerging United Nations Sustainable Development Goals to the well-being goals in the Bill, the Welsh Government will monitor closely, and take account of, the position taken by the European Union ahead of the special summit on sustainable development at the UN General Assembly in September 2015, where the goals are expected to be adopted. This work will also take into consideration examples of good practice at the EU level where relevant.

The Connecting Europe Facility: Transport, Energy and Telecommunications Networks

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.

2014 Annual Report

The Connecting Europe Facility is designed to support the connection of the continent through transport and energy infrastructure projects and includes the increased availability of high-speed broadband and access to digital service infrastructures as the building blocks of a modern Single Market.

The Welsh Government completed discussions with the UK Department of Energy and Climate Change (DECC) on the implementation and the practical outworking of the EU Regulation on Guidelines for Trans-European Energy (TEN-E) Infrastructure. The proposed sub-sea connections from Ireland to Wales, to connect Irish wind projects to the UK grid network, will be handled under this Regulation. Following discussion, Welsh Ministers agreed that National Competent Authority responsibilities be delegated to them from UK Government Ministers. These responsibilities relate to five Projects of Common Interest, all of which are Ireland-Wales electricity interconnector projects.

The Welsh Government continued to work with the UK Government and the other Devolved Administrations on the new legislative framework for TEN-T (the Trans-European Network for Transport) and the Connecting Europe Facility (CEF) for the period 2014-2020, highlighting the strategic importance of transport routes and nodes in Wales to the network, especially connectivity with Ireland.

Investment in telecommunications infrastructure remains one of the top priorities identified within the Welsh Government's Wales Infrastructure Investment Plan. In particular, a key Programme for Government commitment is to ensure that homes and businesses in Wales have access to next generation broadband by 2016.

The Welsh Government and BT are working in partnership through the Superfast Cymru programme to bring the benefits of fibre broadband to those areas outside the planned commercial footprint in Wales. With the support of EU funds, this is the largest investment of its kind currently in the UK and is ensuring that, when combined with commercial roll-out, 96% of premises across Wales have access to fast fibre broadband. This pioneering multi-million pound programme is bringing nationwide next generation broadband, making Wales one of the best connected nations in the world.

The programme, funded by the Welsh Government, UK Government and the EU, together with BT's overall investment in Wales, will see £425m invested. Roll-out has commenced in all 22 local authorities across Wales in 2014/2015. The programme is progressing well and almost 300,000 premises have so far been given access to fast fibre broadband as a result. This major infrastructure investment will create a step-change in Wales' digital infrastructure that will underpin the Welsh Government's economic development strategy for the long-term.

2015 Work Programme

We will work with developers and stakeholders to facilitate progress on energy connection projects in line with TEN-E requirements. We will report progress to DECC, which formally reports back to the EU on behalf of the UK.

The new legislative framework for the Trans-European Network for Transport and the Connecting Europe Facility for the period 2014-2020 has been established, including the maps of the Core and Comprehensive transport networks. Key transport routes and facilities in Wales are included on the networks and we will continue to work with the UK Department for Transport and to liaise with the European Commission in order to help deliver the networks and maximise potential funding under CEF and other investment opportunities.

Work will continue on delivering the Superfast Cymru programme. In addition, EU funding is being sought to help businesses across Wales exploit the opportunities that fast fibre broadband presents. Plans for a national programme of Superfast Business Exploitation support are pushing ahead. The 5/6 year project will bring about economically measurable exploitation of the infrastructure by encouraging and supporting SMEs to exploit the opportunities provided by superfast broadband. The project's objectives are to:

- improve businesses' understanding of the benefits of exploiting superfast broadband
- drive adoption of superfast broadband among businesses; and
- to achieve measurable economic exploitation of superfast-enabled technologies to realise a benefit for businesses

Further funding is being sought for the Superfast Broadband Infill Project to bring fast fibre broadband to areas not covered by either Superfast Cymru or by telecommunications companies' own roll-out projects.

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

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.

2014 Annual Report

The performance of Wales in Horizon 2020's predecessor, the Seventh Framework Programme (known as FP7), suggested that there was room for improvement but that there were also strengths on which to build. Data released in October 2014 showed that Wales had 440 participations in FP7 (2.5% of the UK figure) worth a total of €143m EU funding (2.1% of the UK figure). In relation to the UK, Wales was most successful in the theme Food, Agriculture, Fisheries and Biotechnology (over 5% of participations and 5% of funding). Wales was also awarded over €20 million in 3 areas: Health, the European Research Council and Marie-Curie Actions.

Available data from the European Commission in terms of Horizon 2020 performance in 2014 (as from September 2014) shows that there were 14 Welsh participations selected for funding, requesting EU funds of €4.3m. In total there were 126 applications from Wales-based organisations, giving an 11% success rate. This appears to reflect the success rate more widely in Horizon 2020 at this stage.

A Horizon 2020 Scoping Study, commissioned by the Welsh Government from CM International to determine how best we can help Welsh organisations access Horizon 2020 funding, was published in June 2014. The Study endorsed the approach of the Horizon 2020 Unit in WEFO in working closely alongside key stakeholders in Wales, the UK and Europe to maximise Horizon 2020 opportunities for Welsh organisations. This co-ordinated approach is ensuring that new interventions are adding value rather than duplicating existing or emerging resources.

The Scoping Study also recognised the important role that the Welsh Government's SCoRE (Supporting Collaborative Research and Innovation in Europe) Cymru scheme has in supporting Welsh organisations to access Horizon 2020. The fund provides applicants with up to £1,000 for travel costs and up to £10,000 for bid writing costs. Since its inception, the Horizon 2020 Unit has awarded some £105,000 to 30 organisations, with nearly 80% of that funding going to Welsh SMEs.

The Study also made several recommendations that provide a sound basis for decisions on further interventions in the support structure in Wales.

Actions taken to address the recommendations include:

- An increase of £30,000 in the Welsh Government's SCoRE Cymru scheme's annual budget to £100,000 a year, providing the potential to support an additional 30 Welsh businesses and researchers every year to access Horizon 2020 funding.
- A financial and resource commitment to work with stakeholders such as the higher education sector in Wales, Innovate UK and Enterprise Europe Network Wales to develop and deliver a series of targeted awareness-raising and technical events in Wales and Brussels. This includes a commitment to hold an annual Horizon 2020 event in Wales, building on the success of the launch event in November 2013.
- The development of potential project proposals that will maximise the synergies between the EU Structural Funds and Horizon 2020 and build research capacity, for example by attracting talented researchers to Wales.

During 2014, the Horizon 2020 Unit presented at 12 separate events, reaching a targeted audience in excess of 300. This engagement has resulted in a number of enquires for support from SCoRE Cymru as well as the Unit facilitating further discussions with both public and private sectors in their engagement with a range of EU funding opportunities..

2015 Work Programme

There will be an increasing focus on maximising the impact of EU funding streams, including through synergies between Horizon 2020 and the Structural Funds, such as Structural Funds investments that support activity complementary to areas funded through Horizon 2020 ('downstream activity'), building capacity to improve, exploit and share excellence ('upstream activity') and addressing barriers to accessing Horizon 2020, such as access to expertise, funding or training. The Welsh Government's Horizon 2020 Unit is in detailed discussions with stakeholders about potential Structural Funds investments in all three of these areas and a number of related announcements are expected in 2015.

The Horizon 2020 Unit is also actively planning a number of actions in response to the recommendations in the Horizon 2020 Study and these include:

- The development and promotion of a 'support network' linking existing and emerging resources within research and innovation stakeholders in Wales and Brussels to share knowledge and best practice and promote a consistent service to Welsh organisations
- The introduction of one-to-one expert support for Welsh businesses looking to explore the potential of Horizon 2020 funding
- The potential of developing a 'community of practice' of Welsh Horizon 2020 experts and evaluators to both increase Wales' influence over the development and implementation of the Horizon 2020 programme and provide insights for the wider Welsh Horizon 2020 community.

The first annual Horizon 2020 event in February provided an opportunity for stakeholders to hear about the proposed actions and discuss any lessons learned from the first year of the Horizon 2020 programme.

The Horizon 2020 Unit will continue to offer advice, and financial support through SCoRE Cymru, to Welsh stakeholders looking to develop and improve their bids to Horizon 2020.

The Horizon 2020 Unit will continue to work closely with Welsh Government policy colleagues and the Chief Scientific Adviser on ensuring Horizon 2020 activities and Structural Funds investments are strategically aligned. There will also continue to be a high level of engagement with the Higher Education sector. Likewise, the Unit will continue to build on relationships with contacts in Europe, including via Wales House in Brussels, and with the UK Horizon 2020 network, which includes Innovate UK, the UK Government's Department for Business, Innovation and Skills and the other Devolved Administrations.

Education, Skills, Employment and Social Inclusion

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.

2014 Annual Report

Communities 2.0, supported by EU funds and which runs until April 2015, has helped more than 55,000 people acquire the skills and capability to go online and become digitally included, helping to increase their employability and to reduce social isolation, particularly amongst older people, the disabled, unemployed and social housing tenants. The programme also supports social enterprises, micro businesses and community and voluntary organisations to use ICT to innovate and improve delivery.

The Housing (Wales) Act 2014, approved by the National Assembly in July 2014, is contributing to the Welsh Government's Social Inclusion agenda by helping to ensure that fewer households experience the trauma of homelessness. This work responds to the Country Specific Recommendations that the EU has issued for the UK over a period of time where it notes continuing difficulties in meeting demand for housing and the growing number of people at risk of poverty or social inclusion and the ongoing challenges of tackling the share of children in jobless households and child poverty.

The Act will also ensure that more is done to meet the needs of Gypsy and Traveller communities, by placing a new statutory duty on local authorities to provide new Gypsy and Traveller sites where need has been identified. This aligns with Section 2.7 of the EU Recommendation on effective Roma integration measures.

EU funds are also contributing to the Welsh Government's delivery of many employment and skills schemes, such as Apprenticeships, Skills Growth Wales and Jobs Growth Wales. For Jobs Growth Wales, as at 10 December 2014, over 16,500 job opportunities had been created across Wales and of these, 13,900 had been filled, while the remainder were in various stages of recruitment. Jobs Growth Wales not only provides a valuable career opportunity, it enables young people to gain the essential skills employers are looking for and helps companies to grow. Under Jobs

Growth Wales, 83% of young people working in the private sector have progressed into employment or further learning after successfully completing the programme, exceeding the initial target of 70%.

EU investments are contributing to the success of STEM Cymru – a key priority of the Programme for Government that encourages youngsters to study Science, Technology, Engineering and Maths. The Welsh Government has made a pledge to the European Alliance for Apprenticeships (EAfA), jointly co-ordinated by the European Commission's Directorate-General (DG) for Education and Culture and the DG for Employment, Social Affairs and Inclusion. In its pledge, the Government has set out the measures that it will take to increase the quality, supply and attractiveness of apprenticeships.

The Erasmus+ programme is covered in the section on educational and cultural links.

2015 Work Programme

Digital Inclusion will continue to be an important issue as more services, including vital public services, move online. The Welsh Government is committed to funding a new digital inclusion programme to succeed Communities 2.0. This programme will build on the success of Communities 2.0 and will help more people to benefit from using the internet. The new programme will engage partner organisations across the public, private and third sectors to help tackle this issue. This will include mainstreaming digital inclusion as part of employment and skills programmes supported by the European Social Fund. This work aligns with the EU's objective of boosting digital skills and learning across society. It is intended that the Homelessness and Gypsy Traveller parts of the Housing (Wales) Act will commence in the spring of 2015 with phased implementation thereafter.

We will continue to make use of European Social Fund monies to support our successful employment and skills programmes, including Jobs Growth Wales. We are working with managing agents to ensure we offer appropriate support to young people during the programme and we work with Careers Wales and Job Centre Plus to identify potential future options for young people who have left the programme early. We are committed to reducing levels of youth unemployment and this remains one of the Welsh Government's top priorities. Jobs Growth Wales is one of our responses to address this issue.

The Department for Education and Skills (DfES) is in the process of developing a suite of new programmes for submission to WEFO under the 2014-2020 Structural Funds Programmes. This incorporates planning for the continuation of some current programmes and the closure of others that fall under the 2007-2013 Structural Funds Programmes.

DfES is adopting a strategic approach to ESF implementation post-2014. The Welsh Government will focus on providing strategic leadership and direction at an all-Wales level and less so on direct programme delivery. As such, it is anticipated that DfES will lead on fewer programmes than has been the case under the 2007-2013 round.

DfES has designed an integrated delivery approach that responds to clearly identified and evidenced need that operates at a combination of national, regional and local levels. This is happening through the active engagement of stakeholders, which is helping to shape DfES' thinking and gather evidence to support the approach.

Energy

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.

2014 Annual Report

Our energy system underpins our entire way of life. That system is now undergoing profound change as we adapt it to meet a range of environmental, economic and social objectives. The European Council reconfirmed the European Union's objective of reducing greenhouse gas emissions by 80-95% by 2050 compared to 1990, with a consequent impact on increasing low carbon electricity generation.

The Energy Wales Delivery Plan was published in March 2014. It builds on the principles set out in Energy Wales: A Low Carbon Transition, and the development of programmes to maximise the economic and social benefits from Structural Funds for this sector. The Delivery Plan describes the Welsh Government's commitment to focus and prioritise our effort in three key areas: providing leadership, especially in offering a framework for investors; maximising the benefit for Wales in terms of jobs and the wider economic benefit; and acting now for Wales' long-term energy future through support for innovation and research.

Energy efficiency remains a major priority with our area-based energy efficiency scheme 'Arbed', supported by EU funds, and our fuel poverty scheme 'Nest' helping to reduce energy use and fuel poverty across Wales. Significant community benefits are also being delivered by these schemes. Alongside Nest and Arbed we have made grant funding available to local authorities to deliver their own local energy efficiency schemes to leverage investment from the Energy Company Obligation (ECO). This supports wider programmes of work that tackle hard to treat homes, particularly those where, for example, external wall insulation may be the best solution but also the most expensive, placing it out of reach for people in fuel poverty. These homes would often not be funded by the ECO alone.

We have also established the Resource Efficient Wales service, which brings together support for energy efficiency previously provided under grant funding, with support for using energy, materials and water more efficiently, into one integrated service.

Distributed generation remains a high priority and members of the European Economic and Social Committee (EESC) visited Wales between 5 and 7 May to conduct an inquiry into the progress of the Renewable Energy Directive. The visit involved a tour of renewable energy projects and a hearing with a broad range of stakeholders. The Welsh Government's Ynni'r Fro scheme, supported by EU funds, has continued to offer social enterprises grant aid, loans and free, independent,

advice and information. 48 projects are either currently generating electricity, in construction or in the latter stages of development as a result of the scheme's support.

The Welsh Government worked with the Crown Estate to identify two wave and tidal test and demonstration zones in Welsh waters and has worked extensively with wind developers to maximise the benefits for Welsh businesses and communities. We have developed an overall plan for mid-Wales wind developments, including workforce needs analysis that, subject to consent of the wind projects, will result in a training and development plan for local businesses.

During 2014 progress was made in developing Smart Living Wales, which is a long-term initiative to introduce smart systems, processes and technology to improve energy resource efficiency. In the spring of 2014 we launched a Register of Community and Economic Benefit, which gives information on the benefits received from consented and operational renewable energy schemes in Wales, and illustrates how the benefits are being delivered.

In June 2014 we published Low Carbon Energy Generation in Wales: baseline study of renewable energy, which provides baseline data to the end of 2012. It captures domestic and community scale projects, as well as larger developments, and shows that we had over 36,000 energy generating projects working on the ground in Wales.

Note: Towards the end of 2014 responsibility for energy policy was divided between the Economy, Science and Transport Department, for larger scale projects, and the Natural Resources Department, which takes the lead on smaller projects.

2015 Work Programme

The Welsh Government will continue to develop the fully integrated resource efficiency advice and support service, which serves the domestic, public and business sectors. We are looking to demonstrate the effectiveness of the delivery model, and to secure EU funds to expand the delivery of the scheme.

We are also working with the small and medium scale energy sectors to develop a renewable energy support scheme to replace Ynni'r Fro. The new scheme will be broader in scope than Ynni'r Fro, and will work closely with the Resource Efficient Wales service to encourage shared ownership and joint development of renewable energy schemes generating both electricity and heat. We expect to launch a new scheme in the autumn.

During 2015, we will further develop the Energy Efficiency Strategy for Wales. This focuses on reducing fuel poverty, carbon reduction and promoting green growth. There are also significant benefits to be gained from investments in the area of energy efficiency and the low-carbon economy from the new Structural Funds programmes for 2014–2020 and Horizon 2020.

Marine energy is also a key investment priority for the Structural Funds 2014-2020, and the Welsh Government will continue to work with the Crown Estate to promote demonstration zones for marine devices and work with partners to utilise these EU investments for the emergent marine energy sector in Wales.

This increases costs to developers and slows the consenting process. During 2015, the Welsh Government is partnering with the Scottish Government and the Crown Estate to co-fund a UK-wide marine research partnership. The evidence gathered will be publicly available and will reduce risks and burdens on developers and regulators in Wales, enabling timely decisions on applications. The Welsh Government will review the deployment of renewable energy in Wales to the end of 2014 by reporting progress against the 2012 baseline data.

Wales possesses significant advantages in terms of its existing national grid transmission capacity, natural resources and professional expertise. Major energy generation infrastructure and facility development also has the potential to create significant employment for the construction industry and its supply chains.

While the cost of energy is not devolved, we will continue to stress to the UK government that it is important that any reduction in the cost of generation is passed on to end users. The implementation of energy efficient measures will not only result in Welsh businesses remaining competitive in world markets but also provide opportunities to create jobs, growth and wealth. The Welsh Government is working with energy intensive industries to identify and assist with the implementation of measures to reduce carbon emissions and costs. We continue to monitor the potential impacts of EU and UK policy on the international competitiveness of energy intensive businesses.

There are also significant opportunities to improve SME competitiveness through greater resource efficiency beyond solely energy consumption, which can also have positive environmental impacts. Improved resource efficiency can help boost productivity and in turn helping to support growth and jobs.

Energy consumption in Wales is nearly 30% higher than the average across Great Britain (DECC 2011 Data), largely accounted for by industry and reflecting a larger proportion of more energy intensive businesses such as manufacturing in Wales.

The Government will engage with the Framework Strategy for Energy Union, which was published by the Commission in February. This is a highly significant proposal given the EU's energy dependency, the need for decarbonisation and affordability for citizens and businesses. An appropriately interconnected European energy grid could, for example, save consumers up to €40 billion a year.

The proposed Swansea Bay Tidal Lagoon is a £1bn scheme aiming to generate enough electricity to supply more than 155,000 homes. The Department of Energy and Climate Change received the planning inspectorate report on the scheme in March and has until June 10 to make a decision on planning consent.

Climate Change

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.

2014 Annual Report

The EU agreed the new EU2030 framework, which builds on the current 2020 framework by further reinforcing the decarbonisation pathway within the EU. This means that there is now a clear roadmap in place for decarbonisation, with key interim targets for 2020 and 2030 to guide planning towards the aim of decreasing emissions by at least 80% by 2050 (below 1990 levels).

Our Climate Change Strategy for Wales explains how we are working internationally. The presence of subnational governments such as Wales is now formally being recognised internationally – in particular by the UN and World Bank – and this provides a significant opportunity for Wales to contribute to and influence international negotiations and action through our networks. For example, we attended the UN Framework Convention on Climate Change in 2014 where we were able to promote our work on climate action, green growth and low-carbon innovation.

EU funds are also supporting climate change schemes led by other sectors, including higher education. For example, the EU-funded BEACON project, a collaboration between Aberystwyth, Bangor and Swansea Universities, offers an alternative to fossil fuels by testing the most energy efficient way of refining non-food crops into a range of products currently sourced from oil and coal – everything from fuel for cars to food packaging. In 2014, it won the EU's prestigious RegioStars Award, which celebrates innovation and good practice across EU Member States.

2015 Work Programme

Climate change is likely to get more attention over the next year in the critical lead up to a landmark conference – COP 21 in Paris, in December 2015 – the objective of which is to achieve, for the first time in over 20 years of UN negotiations, a legally binding and universal global agreement on climate change. Such an agreement is vital for any chance to stay within the UN (and EU) agreed target of limiting climate change to two degrees, above which the UN's International Panel on Climate Change (IPCC) advises the impacts pose a threat to humanity and could lead to irreversible climate change. The IPCC states that global warming is already affecting "all continents and across the oceans", and further pollution from heat-trapping gases will raise the likelihood of "severe, pervasive and irreversible impacts for people and ecosystems".

We will continue to play our part at an international level and work with partners, in particular through the Network for Regional Governments for Sustainable Development (nrg4SD) and the Climate Group. The Welsh Government sits as a member on the Climate Group's Marine Energy and Green Growth Groups.

The EU has committed to tackling the effects of climate change and has committed that climate mitigation/adaptation action must account for 20% of funding from major European funding programmes. As such, the 2014-2020 EU funding programmes in Wales present us with a significant opportunity to support investments that will address both emission reduction and adaptation and help to build resilience and seize the opportunities from green growth for the economy in Wales.

The Environment

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.

2014 Annual Report

Since 2007 we have run a successful flood and coastal defence programme with the help of over £40 million of EU funds. Supporting 41 flood and coastal schemes across Wales, they are reducing the risk of flooding to over 8,000 properties, more than originally forecast.

There were a number of key EU-related initiatives through the year:

- The Welsh Government was invited to present and contribute to a meeting of European regional governments focused on identifying opportunities for co-operation and learning on the design and delivery of nature-based solutions to support sustainable development and sustainable economic growth.
- The European Commission's Directorate-General for the Environment invited the Welsh Government to present to a conference of Commission staff and EU Member States on Wales' new strategic approach to implementation of EU law and related policy and legislative reform. Our approach to integrated natural resource management (to deliver long-term economic, social and environmental benefits) was received positively by the Commission, with the approach and principles helping to inform its horizontal directive and review of implementation requirements for existing EU law.
- The Welsh Government was then invited to join a cross-EU project (instigated by the Governments of the UK and the Netherlands) aimed at establishing good practice and new guidance for the implementation of EU environmental law.
- Regarding the Welsh Government's Environment Bill, the Commission agreed to consider project findings in relation to its Regulatory Fitness and Performance programme (REFIT) aimed at making EU law simpler and to reduce regulatory costs.

2015 Work Programme

The Flood and Coastal Erosion Risk Management Team are in discussions with Defra and the European Commission regarding the inclusion, as an example of good practice and collaborative working, of our response and ongoing work following the coastal flooding in December 2013 and January 2014. We are also discussing the possibility of presenting to one of the European Floods Working Groups later this year.

Commission officials and the Government of the Netherlands have confirmed that they would welcome further discussions on Wales' new legislation and policy later this year.

Health

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.

2014 Annual Report

The Welsh Government led an EU-funded Substance Misuse Peer Mentoring Project, which supported over 11,000 participants to achieve economic independence through paid work. A project evaluation conducted by the University of South Wales confirmed that 67% of beneficiaries had achieved a positive outcome. More generally a number of NHS Wales' organisations have been successful in winning competitive Research and Innovation funding as partners in collaborative projects.

Wales has been awarded 3 Star Reference Site Status (the highest possible ranking) by the European Innovation Partnership for Active and Healthy Ageing for the work that we have undertaken in implementing our Strategy for Older People. This builds on the 'Ageing Well Wales' programme.

The Minister for Health and Social Services represented the UK at the EU Summit on Chronic Diseases and held discussions with the European Health Commissioner and the Deputy Secretary General of the OECD. He also gave a keynote address at the conference of the EU Joint Action Programme on Health Inequalities, of which the Welsh Government was an active member, speaking alongside the Health Commissioner and the Director of the World Health Organisation in Europe.

2015 Work Programme

We will work with health and social care partners in Wales to increase capacity, competence and achieve greater success in international collaborative projects, and continue to explore EU funding streams, including from the Structural Funds and Horizon 2020, to help deliver our objectives.

To take this forward, 2 senior officials from the Welsh Government Health Department visited Brussels for a series of meetings in early March with representatives from the EU institutions, the NHS Confederation, relevant health-related networks and from regional or national governments who we believe could be potential future partners. The EU Office, in partnership with the Department and the Wales Higher Education Brussels office, will organise a further visit for the Welsh health and life sciences sector in the early summer, which will involve at least one of the EU Funding Ambassadors.

In Wales, early stage discussions are underway to explore the use of EU Structural Funds to support a health and wealth innovation programme and to strengthen and expand the Healthy Working Wales initiative. One of the investment priorities is about tackling poverty and social exclusion caused by ill health and unemployment. Similarly, funding is also being sought to help deliver the Out of Work Peer Mentoring Project which draws on lessons learned from the Substance Misuse project mentioned above.

A second example is the proposed In-Work Support project, which seeks EU funds to help employees in the West Wales and the Valleys region who are on, or at risk

of, a long-term sickness absence to help them return to, or remain in, work. The key objectives are to:

- Reduce the flow of people out of work due to ill-health
- Reduce the duration of periods of sickness absence due to common health issues, primarily musculoskeletal and mental health problems
- Engage with SME employers to improve policies around workplace health
- Engage and support GPs around work and health issues.

As noted above, the Older Peoples' Commissioner for Wales plays a leading role in the European Innovation Partnership on Active and Healthy Ageing (EIP-AHA) and represented Wales at the European Summit on Innovation for Active and Healthy Ageing in March. Following the Summit, the Commissioner held a workshop in Wales House in Brussels promoting Wales' experience. Furthermore, an Interreg proposal to support and expand the 32 EIP-AHA Reference Sites Network is being explored.

Officials from the Department of Health and Social Services and other Departments, are engaged with the UK Government with regard to the consultation on the Working Time Directive issued by the Commission.

Fulfilling our EU obligations

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.

2014 Annual Report

The Welsh Government has worked closely with the UK Government to develop and implement European legislation, both on our own and on a composite basis with the UK Government itself. In September 2014, the Welsh Government organised and delivered in-house EU legislation training for Welsh Government officials. The course covered all aspects of EU legislation, from influencing policy to handling transposition and infractions cases.

Throughout 2014, the Welsh Government worked with UK Government Departments including the Department for the Environment, Food and Rural Affairs (Defra), the Department for Transport (DfT), the Department for Business, Innovation and Skills (BIS), the Department of Energy and Climate Change (DECC), the Department for Communities and Local Government (DCLG) and others on negotiating final EU legislation and the subsequent transposition of legislation in many different policy areas on a joint basis.

2015 Work Programme

The Welsh Government will continue to work with our UK Government counterparts on responding to the European Commission on Pilot Project and infraction cases. This is an ongoing process and we are fully engaged in ensuring that the risk of

infraction is minimised and, if infractions emerge, we will continue to work for a successful outcome.

The Welsh Government will continue to engage with the UK Government and the European Commission on all areas of EU legislation. We will seek to ensure that legislation is transposed in a correct and timely manner in accordance with EU rules.

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

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

2014 Annual Report

Wales maintained its excellent record in the delivery of the Structural Funds. As mentioned above, the BEACON project between Aberystwyth, Bangor and Swansea Universities won a RegioStars Award, which celebrates innovation and good practice across Member States.

Officials from the Welsh Government, other public sector organisations and academics from the HE sector were also evaluators for Horizon 2020 and Welsh HEIs were successful in gaining European Research Council grants awarded for excellent research.

2015 Work Programme

Officials from the Department for Education and Skills will continue to represent the UK on 2 of the 6 EU expert groups on education and training. These influential groups are the main fora for influencing EU-level policies in the area of education and training and the annual Erasmus+ work programme.

Prof Judith Phillips and Sarah Rochira, the Older People's Commissioner for Wales, addressed the European Innovation Partnership Summit on Active Ageing, further developing our European profile in this area and building on Wales being awarded the prestigious 3 Star Reference Site Status.

In March, Prof Kevin Morgan from Cardiff University was appointed special adviser the Commissioner for Regional and Urban Policy, Corina Crețu.

The Welsh Government's Youth Entrepreneurship Strategy and Action Plan has been profiled as an example of good practice in a European Commission report on the topic of "Entrepreneurship Education: A road to Success".

Promoting Wales in Brussels

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.

2014 Annual Report

In February, the Welsh Government's EU Office co-hosted with the UK's Deputy Ambassador to the EU, Shan Morgan, a reception with Bryn Terfel, who performed in Brussels on the following day. The event attracted people from the EU institutions, NATO HQ (in advance of the September Summit in Wales), including several Ambassadors, and the wider arts and business communities.

Also in February the EU office hosted a two-day visit for the First Minister's adviser on the World War One commemorations, Professor Sir Deian Hopkin, who visited Langemark in Flanders, the site of the (still to be unveiled) memorial to people of Welsh descent who served in the war, and met a wide range of representatives from Belgian and British organisations.

On the literature theme, the Welsh Government was one of the partners in the 2014 Brussels Book Fair, where the UK was the host country, and on this occasion the Welsh writers in attendance were Patrick McGuinness and Sian Melangell Dafydd.

The St David's Day 2014 lunchtime reception was hosted by the Minister for Finance on 6 March. It was attended by people from across the EU institutions, NATO HQ, the business community and Langemark and showcased Welsh food and drink, also marking the Dylan Thomas Centenary Year.

The Welsh Government supported the Welsh stand at the international Seafood Expo in May.

In June the First Minister was co-host, with the UK Foreign Secretary, of a reception for NATO Foreign Ministers who were in Brussels for meetings at NATO HQ. The First Minister, the Foreign Secretary and the Secretary-General of NATO all gave speeches about Wales and the forthcoming NATO Summit.

In August the First Minister again visited Belgium for the inauguration of the memorial in Langemark, Flanders, to people of Welsh descent who served in the First World War. The First Minister was joined by the Minister-President of Flanders in the unveiling ceremony.

The EU Office also participated in commemorations of the South Wales Borderers and the Royal Welch Fusiliers in Flanders marking the centenary of battles fought in October 1914.

2015 Work Programme

The EU Office in Brussels organised the annual St David's Day reception which, included a focus on promoting Swansea University's Innovation Campus, complementing a St David's Day lunch with EU decision-makers that the University had organised earlier that day. As is now customary, the event also promoted the high quality of food and drink from Wales.

In May, we will host a delegation from the health and life sciences community who will be visiting Brussels for a series of policy and funding meetings.

The Welsh Government will also organise a policy event in the European Parliament in June that will focus on youth employment and, later in the year, a workshop on territorial co-operation among EU regions.

Social media will play a larger role in 2015 when promoting Wales and information about the EU and the @WalesinEU Twitter account provides a platform for this.

Promoting Wales through tourism and transport links

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.

2014 Annual Report

We developed 2 EU Structural Funds (2014-2020) proposals that helped deliver on the ambitions of the Welsh Government's tourism strategy. The proposals focused on providing access to finance for the private sector to continue to deliver new and improved strategic tourism products; and funding to deliver a small number of tourism infrastructure projects that can deliver perception-changing products.

The tourism sector also worked with colleagues who lead on the new Rural Development Programme (RDP) and the Ireland / Wales Programme to ensure any funding is strategically aligned to help grow the tourism industry.

The Welsh Government continued to work in partnership with Cardiff Airport to encourage new air routes and also facilitated the provision of a commercial loan to the airport.

2015 Work Programme

The Airport and Welsh Government will continue to talk to airlines with aspirations for 2015/16 for long-haul destinations through attendance at conferences including Arabian Travel Market and World Routes.

Educational and cultural links

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.

2014 Annual Report

The Welsh Government continued its involvement in the various Erasmus+ boards and advisory groups and continued to publicise opportunities with stakeholders. Ministers continued to engage with the UK National Agency for Erasmus+, with the Deputy Minister for Skills & Technology agreeing to speak at a Skills Seminar being held in the Senedd.

The British Council and Ecorys held a series of workshops across Wales to promote the opportunities available through Erasmus+ and to support potential beneficiaries

through the 2015 application process. These were advertised through the Department for Education and Skills newsletter 'Dysg'.

The Creative Europe Programme, which saw the merger of the former MEDIA and Culture Programmes into one combined Programme, was launched in January 2014. The Creative Europe Desk UK partnership was established with the four nations of the UK, co-ordinated by British Council/British Film Institute. The Welsh Government runs the Creative Europe Desk UK Wales, which consists of a MEDIA Manager and a new part-time Culture Manager who joined the Welsh Government on secondment from Arts Council Wales.

During 2014 Creative Europe Desk UK Wales promoted the new Creative Europe Programme via one-to-ones with Welsh audiovisual and arts/cultural organisations as well as an extensive events programme which included; a event with a panel of commissioners of video games, a Producers Forum event on Support for British Films, the Wales Games Development Show as well as presentations in Mid, North and South Wales. In addition, Welsh organisations benefited from over €240,000 of Creative Europe grant funding in 2014.

2015 Work Programme

The Minister for Education and Skills will open a 'Wales in the World' British Council sponsored event at the Senedd to highlight its work in Wales and the international opportunities available, including through Erasmus+.

The Deputy Minister for Skills and Technology will speak at an International Schools Linking conference in summer 2015 being hosted by Cardiff City Council, which will similarly convey information about opportunities, also including Erasmus+.

The Welsh Government will continue to promote these and continue to engage with the National Agency through its representation on the relevant boards and advisory groups.

The Creative Europe Desk UK Wales is contributing to an ongoing European Commission Working Group set up to examine the concept of the level playing field within the MEDIA sub-programme, which supports the EU film and audiovisual industries financially in the development, distribution and promotion of their work. Applicants from Wales, because we are in one of the 5 designated "high production capacity" Member States, are penalised in the scoring for the Media sub-programme.

Looking forward, it has planned a promotional work programme in 2015 to include a panel of people who commission drama, a presence at the Hay Festival, an event focusing on partnership searches for Welsh arts and culture organisations and a panel of the UK's Children's Commissioners.

Promoting engagement with the EU in Wales

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

2014 Annual Report

We organised a series of events as part of our commitment to encouraging participation in EU policy formation and to raising general awareness of EU issues.

The Minister for Finance hosted a visit by Employment Commissioner László Andor, in February 2014, to see first-hand the impact of the European Social Fund on helping people into work and training, including young people.

In early March, the Welsh Government organised a seminar, which was opened by the Minister for Finance, on the National Reform Programme 2014 in conjunction with the European Commission Office in Wales.

In April and November we held EU careers events for students in Swansea and Aberystwyth Universities respectively, aimed at promoting EU career opportunities within the EU Institutions.

September saw the annual Mock Council of Ministers event. The Mock Council involves students aged 16-18 from schools and colleges across Wales and one school from another EU Member State. During the debate, each of the schools represents one of the 28 EU Member States with teams of two students taking on the roles of Government Ministers. The remaining school represents the Commission and the Council Secretariat. The students debate and vote on topical issues affecting the EU.

Two students from the Burgerschool in Roeselare, Flanders, took part in the event and represented the UK. In previous years we have had participation by schools from other regions and countries with which Wales has strong links, including Latvia, Catalonia, Brittany, and Silesia in Poland. The event was held in Siambr Hywel and was opened by the First Minister.

2015 Work Programme

In April we will be organising a major seminar on Jobs, Growth and the EU. The aim will be to raise awareness among Welsh businesses, universities and the wider public of the Investment Plan for Europe, and the opportunities presented to the business sector through the European Structural and Investment Funds.

We will again be organising Mock Council in September this year and an EU careers event in Bangor University in the autumn.

Influencing EU policy-making

Wales and the UK Government

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

2014 Annual Report

Welsh Ministers continued to work with the UK Government, and the other Devolved Administrations, on EU-related issues, both bilaterally and through the Joint

Ministerial Committee on Europe (JMC(E)), which comprises Ministers from all 4 administrations.

Effective engagement with the European Union is important for Wales. During the year the Constitutional and Legislative Affairs Committee published a report on Wales' role in the EU decision-making process (referred to earlier), including our interactions with the UK Government and the other Devolved Administrations.

Welsh Government officials engaged frequently with their counterparts in the other Devolved Administrations throughout the year. The Welsh Government's EU Office worked closely with the UK Permanent Representation to the EU and the EU Offices of the other Devolved Administrations.

The Transatlantic Trade and Investment Partnership (TTIP), which is currently in negotiation, aims to reduce significantly the cost to businesses of differences in regulations and standards between the EU and USA by delivering greater compatibility and harmonisation, including for cars, pharmaceuticals and processed foods. At the same time, the aim is to maintain high levels of health, safety, and environmental protection. Under TTIP, trade tariffs, already low, should be eliminated or substantially reduced and there will be better market access for companies in the service sector and more open and transparent government procurement opportunities.

Welsh Government officials have taken part in the cross-government group that is developing the UK position on TTIP. Welsh Ministers note the strong affirmations from the European Commission and the UK Government that TTIP will have no adverse effects on the NHS in Wales or on Welsh Ministers' freedom to manage the service.

The UK Government conducted a Review of the Balance of Competences between the UK and the EU over a 2-year period, concluding in December 2014. The overarching purpose of the review was to consider the EU's powers and how they are used in practice over a wide range of policy areas. The review resulted in 32 reports, published in four semesters, or tranches and produced a detailed assessment of what the EU does and how it affects the UK, based on the responses to the calls for evidence for each report. It did not consider the issue of UK membership of the EU.

The Welsh Government made a wide-ranging contribution to this important review, having responded to 23 of the 32 reports. The review provided an opportunity to highlight the clear benefits that EU membership brings to the citizens, businesses and communities of Wales across many policy areas.

2015 Work Programme

Welsh Ministers and their officials will continue to engage with the UK Government and the other Devolved Administrations, through the mechanisms and institutions described, to promote the interests of Wales.

The Council of the European Union

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.

2014 Annual Report

Welsh Ministers were part of the UK delegation to meetings of the Council of the EU at the important stages of negotiations on all policies of interest. As an illustration, the then Minister for Natural Resources and Food attended both Environment and Agriculture Councils as part of the UK Delegation, while the Deputy Minister for Farming and Food attended the Agriculture Council in September.

2015 Work Programme

The Deputy Minister for Farming and Food attended the 2 Agriculture Councils that have already been held in 2015. The Deputy Minister and other Ministerial colleagues will also seek to attend Council when there is an agenda item of strong interest to Wales.

The European Parliament

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.

2014 Annual Report

The Welsh Government maintained a high level of engagement with the Parliament. We also continued to identify opportunities for Ministerial visits. One example of early engagement was the visit of the Minister for Natural Resources and Food and the Director General of Sustainable Futures to the Parliament in Strasbourg, which took place in early autumn. The Minister for Finance and Government Business is a regular visitor to Brussels and where possible met the Welsh MEPs during her visits. Officials from the Brussels office regularly meet the MEPs and there are bi-monthly MEP assistant meetings with all the representatives based in Wales House.

2015 Work Programme

Officials from the Welsh Government will continue to have regular discussions with MEPs on a wide range of issues including environmental issues, regional policy, funding opportunities and trade in agricultural goods. In June, Derek Vaughan MEP will host and chair the Welsh Government event in the European Parliament on youth employment mentioned above.

The European Commission

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.

2014 Annual Report

The Minister for Finance and Government Business hosted a visit to Wales by Commissioner László Andor in February, meeting him again at the St David's Day reception in March. She also met the Commissioner responsible for Regional Policy,

Johannes Hahn, in March and met the Deputy Director-General responsible for Education to discuss the Erasmus+ programme. Similarly the Minister was a keynote speaker in the European Commission's Cohesion Forum which took place in September where she also met senior Commission officials in the margins of the Forum. Further events in 2014 in conjunction with the European Commission included the attendance of the Deputy Director General responsible for Agriculture at the Royal Welsh show.

The Welsh Government has strong links with the European Commission's Office in Wales based in Cardiff. The First Minister is the key speaker at the Commission's New Year Reception in Cardiff. The Commission's Wales Office supports a number of Welsh Government EU-related events and regularly provides speakers for events such as the Welsh Government's annual Mock European Council for Cardiff school students and various meetings under our Wales Forum on Europe banner, which take place across the country.

2015 Work Programme

The Minister for Finance and Government Business met senior officials from the European Commission during her visit to Brussels to host the annual St David's day reception with meetings with the Director General responsible for regional policy and representatives from the private offices of the Vice President of the Commission Jyrki Katainen (Jobs, Growth, Competitiveness and Investment) and Commissioner Thyssen, responsible for employment and social policy. The EU funding Ambassadors and a health delegation visited Brussels around the St David's Day reception and met with a number of Commission officials from across a number of Directorates to discuss EU policy developments and programmes.

The Agriculture Commissioner, Phil Hogan, will visit the Royal Welsh Show in July..

The Committee of the Regions, the European Economic and Social Committee, Relations with EU regions and Member States

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.

2014 Annual Report

The Welsh Government continued to be a very active member of the Network to Promote Linguistic Diversity (NPLD), the only European network which operates from Wales. The network launched its European languages roadmap in the autumn and developed a lobby plan for the new Parliament and Commission.

As a result of the visit of the First Minister's adviser on First World War commemorations, Professor Sir Deian Hopkin, the Welsh Government hosted a visit from the Head of the Flemish Government's Ministry for Foreign Affairs in June to explore further developing the relationship between Wales and Flanders.

The financial allocations for European Territorial Co-operation programmes were confirmed by the UK Government in the spring, because of the need to negotiate

these programmes with other Member States. Wales played a key role in the development of these programmes, and we expect the financial benefits for Wales to be at least the same as the current ETC programmes, of around £40 million.

The Ireland/Wales Operational Programme was submitted to the European Commission in mid-September. The programme had a strong focus on the Irish Sea, with 3 investment proposals based around innovation, the environment, and cultural and natural resources.

The Wales Forum on Europe event on youth employment referred to in the section on promoting EU engagement in Wales was chaired by two of the Committee of the Regions members from the National Assembly, Mick Antoniw AM and Rhodri Glyn Thomas AM. More generally, the EU office also works closely with the NAW's and WLGA's Brussels representations to support the work of Welsh members in the Committee of the Regions. Welsh Government officials also supported the work of Tom Jones, one of the Welsh EESC members, who organised a visit to Wales on energy projects.

2015 Work Programme

The Welsh Government's active involvement in the NPLD continues and the Government will continue to play an active role in other networks notably the Conference of Peripheral Maritime Regions of Europe and its Atlantic Arc Commission where it will participate in the working groups on regional policy and transport. The Government is also an observer of the Vanguard Initiative which brings together over twenty European regions on innovation in advanced manufacturing. We will also explore the opportunities of joint membership of ERRIN (the European Regions Research and Innovation Network) with the Welsh universities.

On education and skills, the Welsh Government is also an observer member of the EARLALL regional network and a member of the European Policy Centre Task Force on Youth Employment which will report in the summer.

EU Expertise

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.

2014 Annual Report

In 2014 the Welsh Government supported 5 secondees in European institutions: 2 officials on secondment to the European Commission, 2 to the UK's Permanent Representation to the EU (UKRep) and one to the Latvian Permanent Representation in preparation for the Latvian Presidency of the EU. All of these officials have been being at the forefront of EU policy-making. Moreover, an official from the Welsh Government represents the UK on the EU expert group on Vocational Education and Training co-ordinated by the European Commission.

Finally we are working closely with the global NRG4SD network to share best practice and to influence debate and international negotiations on sustainable

development and climate change – particularly in view of the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Paris in December. Similarly, we are collaborating with the International Union for the Conservation of Nature on collaboration with leading regions to promote ecosystem services and nature based solutions (NBS) within regional sustainable development strategies.

2015 Work Programme

In 2015 we will continue to seek out appropriate positions for Welsh Government officials in European institutions where they will develop knowledge and expertise and contribute to policy-making. To date, an official from the Wales European Funding Office is on a short secondment at the Commission's Regional Policy Directorate and the secondees to UKRep and the Latvian Permanent Representation are still in post. There will also be an official on a 6 month placement in the Culture Directorate of the European Commission.