

My Ref: PO/CLJ

Your Ref:

20th December 2007

Mr C Reading
European and External Affairs Committee
Welsh Assembly Government
Cathays Park
Cardiff
CF10 3NQ

Dear Chris

Re: Inquiry into the Role of the European Investment Bank (EIB)

I noted with interest that the National Assembly for Wales' European and External Affairs Committee is conducting an inquiry into the role of the European Investment Bank (EIB), with a view to increasing the opportunities for funding projects in Wales (Appendix 1). Given Cardiff's commitment to exploring innovative funding opportunities to deliver our vision for the city, I submit written notice of our interest in the inquiry.

The EIB provides an opportunity to mobilise additional financial resources for a number of projects. From Cardiff's perspective, it is the opportunity to unlock the financial potential of Public Private Partnerships that holds the greatest relevance. The inquiry could help identify the most appropriate operating model for Cardiff in regards to releasing EIB funds and investment, with City Development Companies perhaps representing an interesting concept worth exploring.

The strength and buoyancy of the private sector in Cardiff means that any collaboration between the public and private sector could provide an effective delivery vehicle, particularly if aligned with innovative European financing instruments.

This is also in the context of the Treasury's Sub National Economic Development and Regeneration Review, published in July 2007, which outlined proposals to devolve revenue raising powers to English Local Authorities. In view of this, it is important that Cardiff is at the forefront of all innovative finance initiatives if it is to compete with the English Core Cities.

The competitiveness of the Welsh Capital has a wider significance. It is recognised by the Wales Spatial Plan as the driver of the 'Capital Network', providing employment for over 72,200 people living outside the Cardiff boundary. Beyond this, Cardiff serves as a gateway to Wales as mobile investment and employment gravitate towards the capital's increasingly diverse economy.

To galvanize the city as a competitive European capital, it is a matter of some importance that Cardiff is allowed to play a full and active role in exploring the opportunities offered by the European Investment Bank. I therefore welcome the inquiry into how the EIB can fund infrastructure projects and facilitating investment in Wales.

I look forward to receiving your response, and helping to jointly develop the best delivery mechanisms for Wales.

A handwritten signature in black ink, appearing to read 'Paul Orders', with a long horizontal stroke extending to the right.

Paul Orders
HEAD OF POLICY & ECONOMIC DEVELOPMENT

C.c. Lowri Gwilym, WLGA

Appendix 1

The Terms of Reference of the inquiry is as follows, the Committee will:

- Explore the opportunities offered by the European Investment Bank for funding infrastructure projects in Wales examine exemplars of projects outside the United Kingdom and
- Make recommendations to the Welsh Assembly Government to facilitate investment by the European Investment Bank in Wales.

The call for evidence is to seek views on the following issues:

- What type of investment opportunities and support are offered by the European Investment Bank for projects in Wales?
- What are the benefits, or otherwise, of working with the Bank?
- To what extent are public and private organisations in Wales benefiting from funding provided by the Bank?
- To what extent is the Welsh Assembly Government engaging with the Bank, to explore investment opportunities in Wales?
- How are these opportunities promoted and facilitated in Wales?
- What lessons can we learn from other United Kingdom and European regions?
- Any other comments or observations which are considered pertinent for the inquiry.