European and External Relations Committee

1st Report, 2015 (Session 4)

EU engagement and scrutiny of the Committees of the Scottish Parliament on European Union policies 2015-16

Published by the Scottish Parliament on 12 March 2015
European and External Relations Committee

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European and External Relations Committee

Remit and membership

Remit:

The remit of the European and External Relations Committee is to consider and report on-

(a) proposals for European Union legislation;
(b) the implementation of European Communities and European Union legislation;
(c) any European Communities or European Union issue;
(d) the development and implementation of the Scottish Administration’s links with countries and territories outside Scotland, the European Union (and its institutions) and other international organisations; and
(e) co-ordination of the international activities of the Scottish Administration.

(Standing Orders of the Scottish Parliament, Rule 6.8)

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European and External Relations Committee

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The Committee reports to the Parliament as follows—

GENERAL CONCLUSIONS

The European and External Relations Committee (EERC) thanks the other committees for their reports on their EU priorities, which it believes provide evidence of a wide range of engagement and scrutiny across the different committee remits.

The EERC is pleased to note that many committees have mainstreamed consideration of European affairs into their existing work programmes in 2014 in order to strengthen their scrutiny with a ‘bigger picture’ perspective (and many intend to continue with this approach in 2015-16). However, the EERC also notes that the Parliament’s committees’ level of European engagement for 2015-16 has declined to an extent compared to 2014, which may be partly due to the streamlined nature of the European Commission’s work programme (CWP) 2015. The EERC would like to encourage the other committees and the committees’ EU Reporters to take a more active role in European engagement in future.

The EERC took evidence from the European Commission on how the Commission was connecting with European citizens and making its work accessible and comprehensive. The Committee agrees with the evidence that it took that the “Commission needs to take measures to restore trust”. The Committee would like to see the Commission improve its public engagement, and asks the Commission to keep it updated on how this area of work progresses.

BACKGROUND

Introduction

1. A key role for the Scottish Parliament’s European and External Relations Committee (EERC) is to lead the Parliament’s engagement with European Union issues. The EERC carries out this role as part of the Scottish Parliament’s
committees’ EU Strategy. The Strategy was agreed to in December 2010 by the Parliament as a Parliament-wide strategy for EU engagement and scrutiny. The Strategy sets out the role for the committees of the Parliament “to scrutinise the Scottish Government and its EU engagement.”

2. To fulfil this EU engagement and scrutiny function, the Parliament agreed to develop an early engagement approach; to mainstream the scrutiny of draft EU legislation in subject committees; and to mainstream the monitoring of the transposition and implementation of legislation in subject committees.

3. As part of this approach, the EERC acts as a mainstreaming “hub” for European Union engagement and scrutiny, whereby other committees of the Scottish Parliament report to the EERC on their EU activities. Each year, the EERC compiles a report of the EU activities undertaken by all committees in the previous year and the EU priorities that they have identified for the forthcoming year. A committee debate on the report is then held in the Parliament’s chamber.

4. In addition, given that this year was the first year of the new College of Commissioners, the EERC sought the views of Scotland’s MEPs and the Parliament’s Members of the EU Committee of the Regions on the European Commission’s new work programme.

5. This report outlines the work undertaken by committees on their EU priorities for 2014, and the EU priorities that the committees intend to consider in 2015-16 (this being the remainder of this parliamentary session which ends in early 2016).

EU PRIORITIES AND ENGAGEMENT


The Europe 2020 Strategy

7. Europe 2020 is the EU’s ten-year growth strategy. Under the strategy, each member state identifies national targets and policies based on the Europe 2020 targets and reports annually on progress in meeting these targets in National Reform Programmes. Performance against targets is monitored annually by the European Commission, which has set up a yearly cycle of economic policy coordination called the European Semester.¹

8. The Scottish Government contributes to the development of the UK Government’s National Reform Programme. As it had for the previous four years, the Scottish Government has drafted a 2015 National Reform Programme for Scotland to allow it to set out the distinct approach being taken in Scotland. As part of this process, the Scottish Government will consult with stakeholders to

develop the document before publication and submission to the UK Government and the European Commission.²

The Scottish Government’s Action Plan on European Engagement

9. The Scottish Government’s Action Plan on European Engagement focuses engagement on four key areas:

- Energy and Climate Change
- Marine Environment including Fisheries
- Research and Creativity
- Freedom, Security and Justice (formerly Justice and Home Affairs).

10. In addition, the Action Plan currently provides a six-monthly update on the Scottish Government’s European engagement over the previous six months and looks ahead at issues of importance to Scotland during the forthcoming EU Presidency period. The appendices to the action plan are updated biannually early in each Presidency. In autumn 2014, the Cabinet Secretary for Culture and External Affairs indicated that the Scottish Government planned to launch a refresh of the Action Plan by April 2015. Several committees have declared their intention to consider the next version of the Action Plan as part of their EU scrutiny in the period through to the end of the current parliamentary session.

The European Commission’s work programme (CWP) 2015

11. The European Commission’s Work Programme outlining the policy programme for 2015 (the CWP 2015) was published in December 2014.³ This is the first Work Programme to be presented by the new College of Commissioners led by President Juncker, which took office in November 2014. It is closely linked to the ten priority policy areas identified by the new Juncker Commission—

The ten priority policy areas are⁴:

1. A new boost for jobs, growth and investment
2. A connected digital single market
3. A resilient energy union with a forward-looking climate change policy
4. A deeper and fairer internal market with a strengthened industrial base
5. A deeper and fairer economic and monetary union
6. A reasonable and balanced free trade agreement with the US
7. An area of justice and fundamental rights based on mutual trust

² Letter from the Scottish Government to the European and External Relations Committee, 31 January 2015, see Annexe D.
³ http://ec.europa.eu/atwork/key-documents/index_en.htm
⁴ http://ec.europa.eu/priorities/docs/pg_en.pdf
8. Towards a new policy on migration
9. A stronger global actor
10. A union of democratic change

12. The approach in the CWP 2015 is far more focused on a limited range of initiatives than was the case under the previous College. The CWP sets out 23 new initiatives to be introduced in 2015, whilst also proposing to withdraw 80 pending pieces of legislation in accordance with the principle of “discontinuity.”

13. The new Commission described its new approach as marking a change from the past in that it represents this Commission’s political commitment to an approach more focussed on priorities and on results. It stated that—

“Time and energy will be invested in those proposals that will have the biggest impact on jobs and growth. It presents a limited number of new proposals, a list of initiatives from the previous Commissions which we propose to withdraw, and a list of existing legislation which we intend to review to see if they are still fit for purpose.”

14. In addition, the new Commission explained in the CWP that the 23 initiatives proposed related only to “the things we will deliver in 2015” with proposals for “other actions to fulfil the ten priorities in our work programmes” being delivered in future years.

Evidence to EERC on CWP 2015

15. In order to scrutinise and better understand the implications of this new approach, the EERC took evidence on 22 January 2015 from Jacqueline Minor, Head of Representation in the United Kingdom, European Commission. The EERC questioned Jacqueline Minor on the significance of the changes introduced by President Juncker. She told the Committee that—

“President Juncker has made it clear that he intends his Commission to be more political, more top down and more focused. I think that it means that the Commission will address the key challenges for Europe, which are jobs, competitiveness and growth. That is reflected in the 10 priorities that President Juncker put to the European Parliament.”

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5 The principle of political discontinuity applies at the start of a new political mandate. The incoming authority, in this case the European Commission, reviews the proposals which have been put to the legislators by its predecessor, but not yet adopted. It then decides whether or not to pursue work in these areas. This principle is set out in Article 39 of the Framework Agreement between the European Parliament and European Commission. This Article states that "The Commission shall proceed with a review of all pending proposals at the beginning of the new Commission's term of office, in order to politically confirm or withdraw them, taking due account of the views expressed by Parliament". The Commission has reviewed around 450 proposals, and has taken the decision to recommend the withdrawal of a significant number of them. European Commission http://europa.eu/rapid/press-release_MEMO-14-2704_en.htm

6 http://ec.europa.eu/atwork/key-documents/index_en.htm


16. President Juncker has also revised the structure of the new Commission. The new College of Commissioners has seven Vice-Presidents (six in addition to the High Representative of the Union for Foreign Policy and Security Policy role), each leading a project team and each being a deputy to President Juncker. The Commission has stated that their individual roles could change over time to react to new projects, and has set up project teams to reflect President Juncker’s ten priorities. The Commission intends this new structure to create a more dynamic interaction between policy areas.\(^9\)

17. Jacqueline Minor drew the EERC’s particular attention to the role of the First Vice-President, Frans Timmermans, who has been given a special responsibility for better regulation, agenda planning and relationships with national parliaments and the European Parliament. She explained that—

“Frans Timmermans’s role will be to ensure that nothing gets on to the Commission agenda that has not been thoroughly impact assessed in relation to its regulatory burden and administrative cost.”\(^10\)

18. She also highlighted the First Vice-President’s influence in focusing the CWP 2015 on a smaller number of initiatives than had been the case in previous years—

“There are 23 items on it compared with an average of 129 items over each year of the Barroso Commission. He is very much part of the Commission’s thinking on discontinuity, which is the decision to withdraw up to 80 proposals, and the determination to pursue the refit process, which is the better regulation programme.”\(^11\)

19. Jacqueline Minor indicated that she thought the significant areas of the CWP 2015 for the UK included the proposals for the digital single market, the energy union, the internal market, the capital markets union and the Transatlantic Trade and Investment Partnership (TTIP).\(^12\)

20. In written evidence to the EERC, the Scottish Government highlighted the CWP initiatives which it perceived as being of interest to Scotland. These included the initiatives mentioned by Jacqueline Minor as well as a wide range of others such as climate change, youth unemployment, tackling serious organised crime, and the review of the Common Agricultural Policy and the reformed Common Fisheries Policy.\(^13\)

21. The EERC also received views on the CWP priorities from Scottish MEPs Ian Hudghton, Alyn Smith and David Coburn. Views were also received from Stewart


\(^13\) Letter from the Scottish Government to the European and External Relations Committee, 15 January 2015, see Annexe D.
Maxwell MSP (in his capacity as one of the Scottish Parliament’s representatives of the Committee of the Regions). These have all been very helpful in shaping the Committee’s understanding of the priority issues which may affect Scotland.

22. The EERC also asked Jacqueline Minor how the new European Commission was connecting with European citizens and making its work sufficiently accessible and comprehensible. She said that the European Commission was developing its website to make information more accessible and working with intermediaries such as business associations to spread information, as well engaging through social media. She stated that the “Commission needs to take measures to restore trust”, and said that the Commission was doing so as part of the CWP’s declared determination to provide more information to citizens to demonstrate that the Commission is more open and accountable about what it does and how it does it.

23. As an example of these measures, Jacqueline Minor explained that the new Commission would be more transparent to the public, and that commissioners and senior staff were making their diaries completely open, “making it possible for people to find out about all the meetings that they have, when and with whom they have them, and how long they last”. She also said that commissioners and senior staff were committed to meeting only organisations on a transparency register, which means that a member of the public will be able to see what that organisation is, what its main interests are and what interests it has declared to the transparency register.

Digital Single Market Package

24. One of the principal initiatives in the CWP 2015 is the creation of a Digital Single Market. Ms Minor told the EERC that the Commission is preparing a strategy which will “identify the major challenges to complete a secure, trustworthy and dynamic Digital Single Market. The strategy will focus on six strands: building trust and confidence, removing restrictions, ensuring access and connectivity, building the digital economy, promoting e-society and investing in world-class ICT research and innovation.”

25. Stewart Maxwell MSP highlighted the importance of the Digital Single Market to Scotland to the EERC, specifically mentioning the Local Digital Agenda (such as e-services and e-government), the data protection regulation, the implementation of the Public Sector Information (PSI) directive, and the concept of “smart cities and communities” as issues to monitor.

26. The Scottish Government told the EERC of the need in Scotland for “continued reform and regulation of the telecommunications market; for example, the proposals to bring an end to roaming charges, as well as the alignment of state

14 Letter from Stewart Maxwell MSP to the European and External Relations Committee, 18 February 2015, see Annexe D.
16 http://ec.europa.eu/atwork/key-documents/index_en.htm
17 Letter from Stewart Maxwell MSP to the European and External Relations Committee, 18 February 2015, see Annexe D.
aid regulations and European Structural and Investment Funds to create enabling conditions that make investment go further, faster.”

27. The EERC asked Jacqueline Minor how the Commission’s proposals for digital services would bring improvements to Scotland, with particular reference to rural areas such as the highlands and islands, where broadband coverage is not uniform. In response, she highlighted the Commission’s work on its Investment Plan, which is intended to unlock public and private investments of at least €315 billion in 2015-17. She said that the Investment Plan would provide funding for eligible projects such as broadband in the Highlands and Islands, and explained the other funding that was also available—

“Decisions on which projects to fund will be taken not by the Commission or by bureaucrats but by investment experts. It will mobilise the expertise that the European Investment Bank already has in that kind of investment procedure.

That is a new fund, but it does not have an impact on existing EIB funding, which is already available for large infrastructure projects, and it will not have a direct impact on regional funding or on the connecting Europe facility overall.”

28. The EERC expressed its concerns that the reduction in the Commission’s Connecting Europe budget might impact on the Commission’s aspirations for widening access to digital services. Jacqueline Minor acknowledged that some of the money for its new guarantee fund for its Investment Plan would come from that budget. However, the Commission stated that this should not result in less money for digital infrastructure—

“The Commission’s view, based on its observation of the market, is that a better use of that money would be to bring in private investment for digital infrastructure rather than to fund digital infrastructure directly by way of grants. You get more bang for your buck—to use the vernacular—if you use it by way of guarantee than you do by way of direct financing.

“There is also funding left in the structural funds, which can in certain circumstances be used for infrastructure, including local broadband.”

29. The Committee was not entirely satisfied with the level of information available from the Commission on the aims of the Digital Single Market. Given its importance to Scotland, the Committee will continue to monitor any key developments and assess how the Digital Single Market might benefit Scotland.

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18 Letter from the Scottish Government to the European and External Relations Committee, 15 January 2015, see Annexe D.
A Deeper and Fairer Internal Market

30. The EERC asked the European Commission about its labour mobility plans under its CWP 2015 proposal for “A Deeper and Fairer Internal Market with a Strengthened Industrial Base”, which states that—

“It will be important to support labour mobility, especially in cases of persistent vacancies and skills mismatches, including across borders, while supporting the role of national authorities in fighting abuse or fraudulent claims.”21

31. Jacqueline Minor explained that some member states were confronted by serious skills shortages, and that the Commission was keen to ensure free movement of persons to meet needs, whilst also avoiding any abuse of these systems—

“I think that we are going to look at the legislation to ensure that the provisions enable the member states to tackle abuse, and also perhaps to put in place measures by way of information sharing and comparing best practice that enable abuse to be tackled more efficiently and effectively.”22

Energy Union

32. The Strategic Framework for the Energy Union was highlighted as a key initiative for Scotland in the CWP 2015 by the Scottish Government. The Framework will set out “the key actions to be taken in order to ensure energy supply security, reduce dependence on imports from third countries, further integrate national energy markets and improve participation of consumers, enhance energy efficiency, decarbonise the energy mix and promote research and innovation in the energy field.”

33. The Scottish Government told the EERC—

“The Scottish Government wants to see strong incentivisation, research and innovation to lower costs and ensure that energy efficiency, renewables (particularly offshore wave, tidal and wind), energy storage, and Carbon Capture and Storage (CCS) can play their part in the EU energy mix, improving energy security and creating jobs and growth. The need for more distributed, decentralised, localised energy systems must be recognised -with greater opportunities for community ownership and control, notably in the storage of renewable energy.”23

34. The EERC asked Jacqueline Minor about the possibility of the Commission taking a different approach to state aid rules to aid Scottish investment in renewable energy, given the Scottish Government’s aspirations to invest in projects such as wave and tidal power. Ms Minor said—

21 http://ec.europa.eu/atwork/key-documents/index_en.htm
23 Letter from the Scottish Government to the European and External Relations Committee, 15 January 2015, see Annexe D.
“One of the five dimensions of the communication on the energy union...will certainly be research and development. It will look at ways in which we can encourage more investment in research into clean and sustainable technologies. It is premature to speculate about whether it will look at the existing state aid rules but, from having accompanied the commissioner...earlier in the week, I know that he is very enthusiastic about carbon capture and storage.”

**Equalities**

35. During its consideration of the CWP 2015, the EERC asked Jacqueline Minor for further information on the proposals on equalities, which state—

“The European Commission is committed to equality of opportunity for people with disabilities, in full respect of the UN Convention on the Rights of Persons with Disabilities. This includes accessibility to the physical environment, transportation, information and communications technologies and systems (ICT) and other facilities/services.”

36. She further explained that there were proposals for improved disabled access, and also increasing physical access and opportunities in the workplace. She said that the Commission intends to use the Horizon 2020 programme “to look at ways of providing assisted living so that disabled persons can live independently in the community”. Ms Minor also explained the Commission’s mainstreaming commitment which ensured that—

“...in everything that is done, we look at ways in which legislation and the regulatory framework can ensure that disabled persons can enjoy the same benefits and that, for example, technical standards are developed in a way that enables disabled persons to make use of products and that ensures that products are safe for their use.”

37. Scottish MEPs Ian Hudghton and Alyn Smith told the EERC that the CWP 2015 committed to promoting equality between men and women, and encouraged MEPs and MSPs to liaise in efforts to promote gender equality.

EU ENGAGEMENT AND SCRUTINY BY COMMITTEES OF THE SCOTTISH PARLIAMENT 2014-16

38. This section of the report outlines the EU engagement and scrutiny by committees of the Scottish Parliament in the previous year (2014), and also considers the EU engagement and scrutiny priorities for the remainder of this parliamentary session in 2015-16. The section starts with the EERC’s specific

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27 Written evidence from Scottish MEPs Ian Hudghton and Alyn Smith to the European and External Relations Committee, January 2015, see Annexe D.
work programme as the main EU scrutiny committee in the Scottish Parliament, and continues with a summary of other committees’ work.

39. The other committees’ reports are reproduced in full in Annex A of this report, and provide detailed information on the EU priorities identified by committees. The Committee thanks the committees for their reports and continued engagement on EU matters. The EERC also expresses its thanks to all those who gave written and oral evidence for this year’s report (see Annexes B and C for all evidence received).

**EERC and its EU engagement and scrutiny for 2014-16**

40. This section describes the EERC’s specific work programme as the main EU scrutiny committee in the Scottish Parliament. It covers work undertaken in 2014, and the work currently ongoing and scheduled for 2015-16.

**Inquiries**

41. The EERC spent much of the first half of 2014 scrutinising the Scottish Government's proposals for an independent Scotland. This involved an inquiry into an independent Scotland’s membership of the European Union (the report of which was the subject of a Chamber debate in May 2014), and three round table evidence sessions on citizenship and immigration; international development policy; and international policy (including membership of international organisations).

42. In late 2014, the Committee began its Transatlantic Trade and Investment Partnership (TTIP) inquiry. TTIP is a trade agreement that is being negotiated between the EU and the United States (US). TTIP aims to remove trade barriers in a wide range of economic sectors to make it easier to buy and sell goods and services between the EU and the US.

43. The key issues which the Committee has heard evidence on include the transparency of the negotiations, the economic benefits of any agreement, the potential inclusion of the Investor to State Dispute Settlement mechanism and the impact of TTIP on public services in Scotland. The EERC expects to report on its TTIP inquiry in spring 2015. The Local Government and Regeneration Committee (LGR) and the Economy, Energy and Tourism Committee (EET) have also agreed to keep a watching brief on TTIP and the EERC’s inquiry in 2015-16 from the perspective of their respective remits.

44. In autumn 2014, the EERC began its major inquiry *Connecting Scotland: how Scotland can engage most effectively in a globalising world*. The inquiry will have four strands—

- How the Scottish Government engages internationally;
- How non-governmental and third sector organisations in Scotland engage internationally;
- Scotland’s physical, virtual and social connectivity with the world; and
• The value of membership of international organisations to Scotland and Scotland’s relationship with them.

45. Evidence for the first strand began in early 2015 with views from academics and representatives of the Catalan, Basque and Flemish governments. It is expected that the entire four-strand inquiry will continue until the end of the current parliamentary session in 2016.

Monitoring and scrutiny role of EERC

46. The EERC holds evidence sessions with the ambassador of the member state which holds the Presidency of the Council of the European Union every six months. The EERC held an evidence session in March 2014 with the Greek ambassador to the UK on Greece’s priorities for its Presidency of the Council of the European Union and the relevance of those priorities to Scotland. Similarly, in October 2014, the Committee took evidence from the Italian ambassador. In 2015, EERC will hear from the Latvian and Luxembourg ambassadors to the UK regarding their presidencies. European Reporters from across the Parliament’s other Committees are invited to attend these evidence sessions.

47. The EERC seeks to scrutinise the Scottish Government’s engagement on EU issues by taking evidence from the Cabinet Secretary for Culture, Europe and External Affairs on the Scottish Government’s priorities for each six-month Presidency. In the last year, the Committee has sought to take evidence from the Cabinet Secretary on the same day as taking evidence from the ambassador of the member state holding the Council Presidency.

48. The EERC continues to monitor areas of ongoing interest such as language learning in Scottish schools and the European Structural and Investment Funds (ESIF) via biannual reports from the Scottish Government. The Scottish Government has identified youth employment as a key objective for the ESIF in Scotland, and the EERC has been taking an especial interest in the rollout of the EU Youth Employment Initiative (an initiative which aims to address high rates of youth unemployment across the EU).

49. The Scottish Government submits a report every six months to the EERC on the Scottish transposition of EU directives. The EERC scrutinises this report to determine whether the Scottish Government has transposed EU directives in accordance with the relevant deadlines.

50. The Scottish Parliament’s two representatives on the Committee of the Regions, Patricia Ferguson MSP and Stewart Maxwell MSP, each send one annual report on their CoR activities to the EERC (as agreed with the EERC early in the current parliamentary session).

51. The EERC has sought to develop closer links with Scotland’s six MEPs in order to benefit from their expertise and understanding of EU policy-making. In November 2014, Scottish MEPS provided early evidence on the new European Parliament session, giving views on the new College of Commissioners and the likely direction of the Commission, and the potential work programme of the European Parliament committees on which each of the six MEPS sit. In addition, all six MEPS provided written evidence for the EERC’s inquiry on TTIP.
52. Under the Scottish Parliament’s EU Strategy, should an EU legislative proposal raises subsidiarity concerns, it can be considered by the relevant Scottish Parliament committee. In the EU context, subsidiarity is the principle that actions should be taken by the most appropriate level of governance (i.e. EU, national, regional or local). This process is coordinated by the EERC clerks.

53. In 2014, following an inquiry by the Standards, Procedures and Public Appointments Committee (to which the EERC and other committees contributed their views), Standing Orders rule changes were made to create “a little more flexibility to the process and so potentially reduce the overall time committees take to scrutinise proposals.” There were no subsidiarity cases considered in the Scottish Parliament in 2014 although committees continued to scrutinise a wide range of EU legislative proposals.

Other Scottish Parliament committees’ EU engagement and scrutiny for 2014-16

54. The EU engagement and scrutiny reported by the other Scottish Parliamentary committees to the EERC is summarised below. This section covers work undertaken in 2014, and the priorities for EU scrutiny and engagement identified for 2015-16.

EU funds

55. The importance of EU funding for Scotland was reflected in the range of committee work on key funding streams. Ian Hudghton MEP and Alyn Smith MEP highlighted the recent example of a combined €985m for Scotland from the European Regional Development Fund and the European Social Fund in the period up to 2020. These funds will be invested in a range of projects to help Scotland “build a more innovative, low-carbon economy as well as promote international business, tackle poverty and get people back into work.”

Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP)

56. As in previous years, the Rural Affairs, Climate Change and Environment (RACCE) Committee has scrutinised the roll-out of the reformed Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) and related instrument in 2014, and plans to continue this work in 2015-16.

57. In 2014, the RACCE Committee focused predominantly on domestic implementation of the new CAP, but also scrutinised the finalisation and interpretation of the CAP, which took place at an EU level. The Committee's evidence-taking included a session with the then UK Secretary for State for Environment, Food and Rural Affairs, Owen Paterson MP. The Committee also took evidence on fisheries and marine issues from the UK Parliamentary Under-

Secretary of State for Farming, Food and Marine Environment, George Eustice MP, which included discussions on the Common Fisheries Policy and EU legislation and rules.

58. Tassos Haniotis, Director for Economic Analysis, Evaluation and Communication, DG Agriculture, European Commission, gave evidence to the RACCE Committee in 2014 at the Scottish Parliament on the "big picture" of world markets and the implications for CAP, and specifically on Scottish issues such as the livestock sector, climate change and the environment.

European Structural and Investment Funds
59. The Local Government and Regeneration (LGR) Committee intends to seek further information on the implementation of the European Structural Funds Programmes in Scotland in 2015-16, particularly in relation to its continuing interest in regeneration.

EU funds to support regeneration delivery
60. During its inquiry into the ‘Delivery of Regeneration in Scotland’ in 2014, the LGR Committee also considered a wider range of EU funds in supporting regeneration, community access to EU funds to support community-led regeneration, and State aid regulations. Its principle recommendations included firstly that the Scottish Government identify and implement intermediary activity to aid delivery of EU funds to community groups, and secondly that the Scottish Government report annually on outcomes, both economic and social, from the previous financial year, and identify its targets for the coming financial year in relation to the Joint European Support for Sustainable Investment in City Areas (JESSICA).

Employment
61. In the document Europe 2020: Scottish National Reform Programme 2014, the Scottish Government set out the actions undertaken in Scotland in 2014 to support youth employment and improve labour market participation in support of the delivery of Europe 2020. These actions cover the Europe 2020 headline target of “75 per cent of the EU population aged 20–64 should be employed”.

62. The Education and Culture (EC) Committee scrutiny the Scottish Government’s actions on youth employment in 2014. It considered the European Commission’s Youth Guarantee scheme\(^\text{30}\) as part of its inquiry Scotland’s Educational and Cultural Future and also in the context of the Scottish Government’s document Scotland’s Future – Your Guide to an Independent Scotland, which set out a commitment to a Youth Guarantee for Scotland. The EC Committee intends to follow up this work in 2015 with the Cabinet Secretary for Education and Lifelong Learning.

63. The EC Committee also considered outputs from the Cabinet Secretary for Education and Lifelong Learning following her attendance at the Education, Youth, Culture and Sport Council meeting in December 2014. The Cabinet Secretary had

\(^{30}\) This scheme aims to ensure that all young people under 25 get a good-quality offer of employment within four months of them leaving formal education or becoming unemployed.
led the UK delegation at the meeting, which included a discussion on the economic case for education, with a particular focus on the Europe 2020 strategy for economic growth and jobs.

64. The LGR Committee has also scrutinised youth employment in 2014, considering the extent of the role local government has in distributing European funds to tackle youth unemployment.

**Education**

65. The EC Committee began a substantial inquiry into "the educational attainment gap" in January 2015. It intends to consider Europe 2020 targets and the Scottish Government’s Action Plan on European Engagement to inform the Committee as to how to reduce the number of early school leavers and raise the numbers entering further or higher education.

66. The EC Committee also intends to take account of European experiences of promoting sign language in the context of its scrutiny of the British Sign language (Scotland) Bill.

**Procurement reform**

67. Following the scrutiny of the Procurement Reform (Scotland) Bill by the Infrastructure and Capital Investment (ICI) Committee and LGR Committee in 2013-14, both committees intend to monitor the Scottish Government’s implementation of the resultant Act and the transposition of the related EU Public Procurement Directives by the Scottish Government.

68. The Scottish Government has confirmed that—

   “there will be a co-ordinated approach to the implementation of the Procurement Reform (Scotland) Act 2014 and the EU Procurement Directives. This will maximise the opportunities for stakeholder engagement and ensure that a comprehensive suite of guidance supports the new legislation.”

69. A Scottish Government consultation on implementing the EU Directives and the 2014 Act was published in 9 February 2015. The ICI Committee will take evidence from the Cabinet Secretary following publication of the consultation’s findings, and will also scrutinise the resultant secondary legislation in the second half of 2015. The LGR Committee also intends to monitor specifically the implementation of the EU Directives on local government.

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31 The Europe 2020 headline targets for youth employment are to aim ‘to reduce the problem of early school leavers by reducing the rate of early school leavers to 10 per cent from the current 15 per cent’, and ‘increasing the share of the population aged 30-34 having completed tertiary or equivalent education to at least 40 per cent by 2020.’

32 Infrastructure and Capital Investment (ICI) Committee report to the European and External Relations Committee, see Annexe A.
Energy Union

70. As mentioned above, the CWP’s 2015 initiative for a Strategic Framework for the Energy Union has been highlighted by the Scottish Government and the European Commission in evidence to the EERC as an important initiative for Scotland.

71. The EET Committee has declared its intention to consider the Strategic Framework for the Energy Union in the context of its work on oil and gas, wave and tidal power, and ongoing issues such as fuel poverty and energy efficiency.

Infrastructure

Digital Single Market

72. As mentioned above, the Digital Single Market initiative in the CWP 2015 will be of importance to Scotland. The ICI Committee has a continuing interest in ensuring Scottish access and connectivity to digital services. Following its 2011-12 inquiry *Broadband Infrastructure in Scotland*, the Committee monitored the Scottish Government’s progress in the rollout of broadband across Scotland in 2014.

73. In 2014, the ICI Committee took evidence from the Director General of the European Commission’s Directorate General for Communications Networks, Content and Technology (DG Connect). DG Connect is primarily responsible for managing and implementing the Digital Agenda which is one of the flagship initiatives of the Europe 2020 agenda. The Director General was asked questions on the key priorities of the development of the *Digital Agenda in Europe*; specifically how the UK, and more explicitly Scotland, is performing against the Digital Agenda goals and actions; and what more can be done to encourage digital participation.

74. In the interests of increasing digital participation across Scotland, the ICI Committee will continue to monitor the Scottish Government’s work on mobile phone infrastructure in 2015-16 (the eradication of mobile ‘not-spots’ being a key finding from the Committee’s inquiry).

Other infrastructure priorities

75. Transport links to mainland Europe, access to EU funding and the scrutiny of European models of freight infrastructure are a focus for the ICI Committee’s 2014-15 *Freight transport in Scotland* inquiry. The ICI Committee anticipates that it will visit innovative freight infrastructure projects in Europe in 2015 to consider whether Scotland could benefit from some of the ideas demonstrated in these projects.

76. The LGR Committee mainstreamed EU affairs into its consideration of the Scottish Government’s draft National Planning Framework 3 (draft NPF3) in 2014. It noted the comments from the Royal Incorporation of Architects in Scotland that a lack of a European and international aspect to the draft NPF3 did not support Scotland’s trade and engagement relationships. In its final report, the LGR Committee recommended that the Scottish Government rectify the lack of both
spatial connectivity and recognition to the world outwith Scotland in the finalised NPF3.

Justice

UK Government’s 2014 EU opt-out decision

77. In 2014, the Justice Committee continued its scrutiny (which had begun in 2013) of the UK Government’s 2014 EU opt-out decision, monitoring developments in respect of the UK Government’s decision to opt out of all police and criminal justice measures adopted prior to the Lisbon Treaty and to seek to re-join around 35 individual measures.

78. In 2014, that Committee took evidence from the Lord Advocate, Police Scotland, Faculty of Advocates and Law Society of Scotland, on the implications for Scotland. The Minister for Community Safety and Legal Affairs told that Committee in March 2014 that the Scottish Government’s “strong preference [was] to remain fully opted into these measures”, but that its “priority now is to seek reassurance from UK Ministers about the negotiation process and, in particular, that there is no gap between the opt-out decision taking effect from 1 December 2014 and the UK opting back into the 35 measures”. The block opt-out and opt-in took place in December 2014, and Scottish Government officials have since indicated that there was no negative impact on Scotland arising from the process.

Establishment of a European Public Prosecutor’s Office (EPPO)

79. The Justice Committee has been considering the proposal to create an EPPO to focus on protecting the financial interests of the EU since 2013. At that juncture, that Committee agreed that the proposal did not meet the principles of subsidiarity (leading to the Scottish Parliament to report that position to the UK Parliament).

80. The Justice Committee received an update from the then Cabinet Secretary for Justice in relation to the EPPO proposal in February 2014, which confirmed that, although the European Commission had rejected all of the concerns expressed by member states through the yellow card procedure, it did agree to take these views into account when negotiating the instrument. The Cabinet Secretary stated that “although the UK has made clear it will not opt in to this measure, the Scottish Government is following the negotiations closely”. He added that “even if the EPPO will not operate in Scotland, there is the possibility that Scottish prosecution authorities may have to co-operate with the EPPO should it be established, in the investigation of cross-border offences involving the EU’s financial interests”. The Justice Committee intends to continue monitoring negotiations on the EPPO for the work of the prosecution service in Scotland in 2015-16.

Future Justice Committee work

81. In 2015, the Justice Committee intends to monitor the EU’s work on E-Justice in the context of the Scottish Government’s Digital Strategy in Scotland; consider how the Commission’s European Agenda on Migration is to include measures against people-trafficking and smuggling; and examine the EU Justice and Home Affairs agenda 2015-20 once agreed. This will include an informal
briefing from Europol, and evidence from an EU expert on human trafficking in the context of the Human Trafficking and Exploitation (Scotland) Bill.

Rural, environment and climate change

Climate change
82. As well as its continuing interest in EU funding for fisheries and agriculture, the RACCE Committee has continued to scrutinise a wide range of other EU issues in 2014, notably climate change where it tracked developments relating to the potential increase in the EU 2020 climate target and the establishment of an EU 2030 framework for climate and energy policies.

83. In 2015, the RACCE Committee will consider the climate change negotiations leading up to the Conference to the Parties to the UN Framework Convention on Climate Change meeting in Paris on 30 November 2015. The CWP 2015 states that the Commission will produce a non-legislative proposal setting out the contribution the EU intends to make to reduce greenhouse gas emissions.

84. The Scottish Government has told the EERC that it hoped to see “an articulation of increased EU ambition in the Commission's Communication on the Road to Paris demonstrating commitment to climate action and international leadership.”

Genetically modified organisms (GMO)
85. The RACCE Committee will continue its work on GMOs in 2015 by examining the EU decisions on the process for authorising GM products and cultivation of GM crops. The CWP for 2015 includes a proposal for a further review of the GMO decision-making process. The review looks at how the rules could be changed to better ensure the majority view of member states is taken into account, following which the Commission will make legislative proposals.

Natura 2000 legislation (Birds and Habitats Directives)
86. In 2015, the RACCE Committee will consider the review of the Natura 2000 legislation (Birds and Habitats Directives) included in the CWP 2015 (the review is due to be completed by 2016). President Juncker has asked the Commissioner for Environment and Fisheries, Carmenu Vella, to assess whether the directives could be merged and modernised.

87. The Scottish Government has told the EERC that it is working with the European Commission on this area, and is seconding an official to the Commission as a national expert to work in this area.

Culture and tourism
88. The EC Committee considered the issues of the historic environment and cultural heritage as a 2014 EU priority. During its scrutiny of the Historic Environment Scotland (HES) Bill and with regard to the European Commission

33 Letter from the Scottish Government to the European and External Relations Committee, 15 January 2015, see Annexe D.
34 Letter from the Scottish Government to the European and External Relations Committee, 15 January 2015, see Annexe D.
Communication Towards an integrated approach to cultural heritage for Europe, the Committee asked the Scottish Government how the available EU funding for the cultural heritage was being accessed in Scotland and, in this regard, to what extent the Government was working with Scottish stakeholders. Additionally, the Convener of that Committee shared his Committee’s experiences of scrutiny of that Bill at two events for European representatives in England and Bulgaria, specifically discussing the challenges of preserving cultural heritage and how to increase its economic contribution.

89. In 2015, the EET Committee intends to consider the European tourism industry with VisitScotland specifically on the topics of digitalisation, connecting with the culture and creative sectors, and supporting the workforce.

Health

90. In 2014, the Health and Sport Committee continued to prioritise the issue of e-Health, specifically in the context of the e-Health Action Plan 2012-20\textsuperscript{35} and the European Innovation Partnership on Active and Healthy Ageing (a Europe 2020 initiative)\textsuperscript{36}. The Committee considered how the Scottish Government engaged in EU digital health policy initiatives, and the role of EU policy initiatives and European funding programmes in the development of telehealth in Scotland and the economic and health benefits these could potentially bring.

91. In 2015-16, the Health and Sport Committee intends to mainstream EU issues into its inquiry on palliative care, and in consideration of proposed legislation from the Scottish Government on public health.

Equalities

92. In 2015-16, the Equal Opportunities Committee will be mainstreaming EU issues into several work streams such as its inquiry on the experience of social isolation faced by younger and older people in Scotland, and an upcoming race and ethnicity related inquiry.

93. The Committee is also taking forward work on Female Genital Mutilation (FGM) in 2015-16 and seeks to learn from its EU counterparts. The Committee will seek information on best practice on integrated work that is being taken forward in other EU countries.

\textsuperscript{35} The European Commission’s eHealth Action Plan 2012 – 2020 aims to “provide a roadmap to empower patients and healthcare workers, link up devices and technologies, and invest in research towards the personalised medicine of the future. This means providing smarter, safer and patient-centred health services. Given the fast growing uptake of smartphones and tablets, the action plan also includes a specific focus on mobile health (mHealth).” \url{https://ec.europa.eu/digital-agenda/en/innovative-healthcare-21st-century}

\textsuperscript{36} The European Innovation Partnership on Active and Healthy Ageing aims are: “enabling EU citizens to lead healthy, active and independent lives while ageing; improving the sustainability and efficiency of social and health care systems; and boosting and improving the competitiveness of the markets for innovative products and services, responding to the ageing challenge at both EU and global level, thus creating new opportunities for businesses.” \url{http://ec.europa.eu/research/innovation-union/index_en.cfm?section=active-healthy-ageing&pg=about}
NEXT STEPS

94. This report has covered the wide range of activities and topics undertaken as EU engagement by the Scottish Parliament’s committees in 2014, as well as their future activities proposed for 2015-16.

95. The EERC looks forward to debating this report and the important issues considered by the Parliament’s committees during the Chamber debate held in spring 2015.
ANEXE A: REPORTS FROM OTHER COMMITTEES

Report from Economy, Energy and Tourism Committee

EU priorities for 2015

I write to outline my Committee’s EU priorities for the year ahead. We discussed the matter at last week’s meeting (4 February) and I include a link to the Official Report here. In précis:

- We agreed to keep a watching brief on TTIP and your Committee’s work on the issue.
- It is anticipated that next month’s Energy Union strategy will cover energy security, the internal energy market, and decarbonisation. The strategy can inform our future work on oil and gas, wave and tidal power, and on-going issues such as fuel poverty and energy efficiency.
- The European tourism industry has been encouraged to pursue digitalisation, connecting with the culture and creative sectors, and supporting its workforce. These are areas we can address with VisitScotland.

Murdo Fraser MSP
Convener

12 February 2015
Report from Education and Culture Committee

EUROPEAN UNION PRIORITIES

Activities undertaken
While the European Union does not have legislative competence in relation to education and culture, the Committee has included consideration of a number of EU policy areas during the course of its work programme.

As part of its inquiry into Scotland’s Educational and Cultural Future, the Committee discussed the EU initiative for a youth guarantee scheme. This was in the context of the Scottish Government’s White Paper, which set out a commitment to a Youth Guarantee for Scotland.

Linked to its interest in raising youth employment, the Committee asked the Cabinet Secretary for Education and Lifelong Learning for details of her attendance at the Education, Youth, Culture and Sport Council meeting in December 2014. The Cabinet Secretary had led the UK delegation at the meeting, which included a discussion on the economic case for education, with a particular focus on the Europe 2020 strategy for economic growth and jobs.

During its scrutiny of the Historic Environment Scotland (HES) Bill, the Committee considered the issue of funding for the historic environment. This was linked to the European Commission Communication, *Towards an integrated approach to cultural heritage for Europe*, which sought to help Member States and stakeholders make the most of the significant support for heritage which is available under EU instruments; to progress a more integrated approach at national and EU level; and to facilitate the development of heritage-based innovation. The Committee asked the Scottish Government for details of how the available EU funding for the cultural heritage was being accessed in Scotland and, in this regard, to what extent the Government was working with Scottish stakeholders. The Government’s response helped to inform the Committee’s consideration of the Bill.

Also on the subject of cultural heritage, the Convener spoke at two events hosted for European representatives, at Runnymede and then Gabrovo, in Bulgaria. In each of his presentations, the Convener talked in detail about what the Committee had learned during its scrutiny of the HES Bill, including the challenges of preserving our cultural heritage and how to increase its economic contribution. Many of these experiences were echoed by other representatives from across Europe and contributed to the discussions on the EU’s cultural heritage policy.

Future work
As noted above, the European Union does not have legislative competence in relation to education and culture. However, the Committee will seek to incorporate consideration of relevant EU issues in its existing work programme. Where opportunities arise, it should strengthen the Committee’s inquiry work by including a European perspective.
The Committee has recently begun an inquiry into the Educational attainment gap. This substantial piece of work could usefully take account of the Europe 2020 targets and the Scottish Government’s European Action Plan, to reduce the number of early school leavers and increase entry into further or higher education.

Also, in the context of its scrutiny of the British Sign language (Scotland) Bill, the Committee will have an opportunity to take account of European experiences of promoting sign language. In addition, there are likely to be opportunities to follow up, with the Cabinet Secretary for Education and Lifelong Learning, our work on the youth guarantee and other issues, such as Erasmus+ and Horizon 2020.

It is understood that the Scottish Government is currently reviewing its European Action Plan. Once the Action Plan has been published, the Committee will have regard to the Scottish Government’s planned actions in the context of its wider work programme.

The Committee will continue to receive the Brussels Bulletin and will take account of any relevant issues.

Stewart Maxwell MSP
Convener

3 February 2015

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Europe 2020 headline targets on education: Reducing school drop-out rates below 10%; and at least 40% of 30-34–year-olds completing third level education.
Report from Equal Opportunities Committee

I am writing to you in response to the work being undertaken by the European and External Relations Committee on the 2015-16 EU Strategy for SP committees.

The Equal Opportunities Committee notes that within the European Commissioner's Priorities, priority 7 “An Area of Justice and Fundamental Rights Based on Mutual Trust” includes the statement:

Discrimination must have no place in our Union, whether on the basis of nationality, sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, or with regard to people belonging to a minority. I will therefore maintain the proposal for a directive in this field and seek to convince national governments to give up their current resistance in the Council.

The Equal Opportunities Committee is taking forward a number of areas of work which fall within this priority.

The Committee is taking forward an inquiry on the experience of social isolation faced by younger and older people in Scotland and will identify any potential for the sharing of information on initiatives taken forward at European level in relation to this area of work.

The Committee has agreed to take forward a race and ethnicity related inquiry this session and will look for the potential for information-sharing at European level.

The Committee is also taking forward work on Female Genital Mutilation (FGM) and seeks to learn from its European counterparts. The Committee will use all available networks to seek information on best practice on integrated work that is being taken forward in other European countries.

Margaret McCulloch MSP
Convener

19 February 2015
EU ENGAGEMENT

Thank you for the request from the European and External Relations Committee inviting the Health and Sport Committee to provide details of its recent EU engagement and EU priorities for the coming year.

In 2014 the Committee continued to prioritise the issue of e-Health, specifically in the context of the e-Health Action Plan 2012-20 and the European Innovation Partnership on Active and Healthy Ageing.

On 18 March 2014 the Committee took evidence from the Scottish Government. The session considered how the Scottish Government engaged in EU digital health policy initiatives, the contribution it was making in this area of policy, the potential for further engagement and the opportunities arising from such engagement in order to map how it fits with the various strategies in place.

The Committee also held a roundtable evidence session with representatives from the following organisations:

- NHS24
- Scottish Enterprise
- Scotland Europa
- Digital Health Institute
- University of Edinburgh
- Institute of Health Informatics Research
- European Connected Health Alliance

This evidence session discussed the role of EU policy initiatives and European funding programmes in the development of telehealth in Scotland and the economic and health benefits these could potentially bring.

Looking ahead to the Committee’s future work on EU issues there are several areas within the Committee’s future work programme which may merit consideration from a European perspective. These include an inquiry the Committee will be conducting on palliative care and a proposed Bill from the Scottish Government on public health.

As the Committee develops its approach to these issues I will ensure that further updates on this work and its connection to EU issues is provided to the European and External Relations Committee.

I hope this is helpful. If you require any further information do let me know.

Duncan McNeil MSP
Convener
10 February 2015
European and External Relations Committee, 1st Report, 2015 (Session 4) —
Annexe A

Report from Infrastructure and Capital Investment Committee

European issues – Consideration of priorities

Committee scrutiny in relation to the European Commission Work Programme

1. One of the strands of the EU’s strategy in building a connected digital market is ensuring access and connectivity to digital services. Since the beginning of the Session in 2011 the Committee has taken a particular interest in scrutinising broadband access and connectivity across Scotland. In particular, its [2011/12 inquiry into Broadband Infrastructure in Scotland](#) looked into:

   - the coverage, availability and uptake of broadband across Scotland;
   - the promotion of access to broadband and how good practice in this area might be shared; and
   - what work is required to expand Scotland’s digital infrastructure.

2. A number of key findings emerged during evidence, including the need to ensure those in rural Scotland can access broadband; future-proofing infrastructure solutions; and the need to increase broadband take-up in groups or geographical areas which had traditionally been low. Since the publication of its report, the Committee has continued to monitor the Scottish Government’s progress in the roll out of broadband across Scotland, with the [most recent update from the Cabinet Secretary for Infrastructure, Investment and Cities on 18 June 2014](#).

   **Engagement with European Commission on digital**

3. On [7 May 2014](#), the Committee took evidence from Mr Robert Madelin, Director General of the European Commission Directorate General for Communications Networks, Content & Technology (DG Connect). DG Connect is primarily responsible for managing and implementing the Digital Agenda which is one of the flagship initiatives of the Europe 2020 agenda.

4. In preparation for this evidence session, the Committee wrote to a range of stakeholders inviting them to submit questions they would be interested in the Committee putting to the Director General. Four stakeholders made submissions, and a number of their questions were incorporated into the evidence taking process.

5. During the session, Mr Medelin was asked about the key priorities of the development of the Digital Agenda in Europe; how the UK, and more specifically Scotland, is performing against the Digital Agenda goals and actions; and what more can be done to encourage digital participation.
6. Given the success of the session with Mr Madelin, the Committee will look for further opportunities to engage with EU institutions where possible.

Committee’s work programme

7. During its work programme discussion on 21 January 2015, the Committee agreed to continue to monitor the Scottish Government’s work, with a particular focus on mobile phone infrastructure (the eradication of mobile ‘not-spots’ was also a key finding from the Committee’s inquiry) and increasing digital participation across Scotland. The Committee will look to get a further update from the Scottish Government on these issues in June 2015.

Committee scrutiny in relation to other EU issues

8. When the Committee last considered the CWP in 2013, its priorities were public procurement, water resources, broadband infrastructure and state aid. While these priorities are not currently listed as part of the 2015 CWP, the Committee is continuing to scrutinise work in these and other areas, including:

Public procurement

9. Following its scrutiny of the Procurement Reform (Scotland) Bill, the Committee agreed to continue to monitor the implementation of the resultant Act and the transposition of the related EU Directives on procurement by the Scottish Government. The Scottish Government has confirmed that:

“there will be a co-ordinated approach to the implementation of the Procurement Reform (Scotland) Act 2014 and the EU Procurement Directives. This will maximise the opportunities for stakeholder engagement and ensure that a comprehensive suite of guidance supports the new legislation.”

10. A Government consultation on implementing the EU Directives and the 2104 Act was published in 9 February 2015. A letter on 5 February 2015 from the Cabinet Secretary for Infrastructure, Investment and Cities (see the Annexe) outlined the Scottish Government’s intentions in this area and detailed the relevant EU procurement Directives which have been adopted and require transposition into Scots Law by April 2016. The Committee agreed at its most recent work programme discussion to take evidence from the Cabinet Secretary following publication of the consultation’s findings and will also scrutinise the resultant secondary legislation in the second half of 2015.

Water resources

11. The Committee, under its remit, has responsibility for scrutinising the activities of Scottish Water as these relate to the provision of water and drainage infrastructure. Most recently, on 17 December 2014, the Committee took evidence
from Scottish Water on its Annual Report and Accounts 2013-14. It is expected that Scottish Water's Annual Report and Accounts 2014-15 will be published in the autumn and is anticipated that the Committee would again wish to take evidence from Scottish Water towards the end of 2015.

Inquiry into freight transport in Scotland

12. The Committee’s current inquiry into freight transport in Scotland will have a focus on Scotland’s transport links to mainland Europe. This may include access to EU funding and the scrutiny of European models of freight infrastructure. It is also anticipated that the Committee will visit innovative freight infrastructure projects in Europe and whether there is any transferability to Scotland.

25 February 2015
I am pleased to inform you that the Scottish Government will publish a consultation on changes to the public procurement rules in Scotland on Monday 9 February 2015. You will receive notification when the publication is available on the Scottish Government website.

As you know, public procurement is governed by a complex framework of European law. Three new EU procurement Directives have been adopted and came into force on 17 April 2014. The new Directives are:

- Directive 2014/24/EU\(^1\) on public procurement, replacing the 2004 Directive for Public Sector Contracts;
- Directive 2014/25/EU\(^2\) on procurement by entities operating in the water, energy, transport and postal services sectors, replacing the 2004 Directive for Utilities Contracts; and
- Directive 2014/23/EU\(^3\) on the award of concession contracts, which does not directly replace any previous directive.

These Directives are replacing older Directives from 2004. The legal deadline for transposition of these Directives into Scots Law is April 2016.

Most of the provisions of the Directives are mandatory for Member States to transpose, so we cannot alter the substance in transposition. The Directives do, however, permit some discretion in how or whether Member States implement particular provisions. The public consultation focuses on the provisions where we are able to exercise discretion. It seeks views on the changes to the public procurement rules and will inform the development of secondary legislation transposing the new Directives.

We also need to give effect to new Regulations and statutory guidance covering lower value procurements as provided for by the Procurement Reform (Scotland) Act 2014. Our draft consultation paper also seeks views on proposals for these.

I am of course keen to engage with the Committee as we develop our approach on transposition of the Directives and implementation of the Act, particularly in relation to the development of regulations and statutory guidance arising from the Act. I have asked my officials to liaise with the Clerk to the Committee to discuss how best we can achieve this.

Kind regards

KEITH BROWN
Report from Justice Committee

The Justice Committee today agreed its report to the European and External Relations Committee on the EU engagement work it undertook during 2014. The report is annexed to this letter.

The Committee also agreed to focus its EU engagement in 2015-16 on the following areas:

- monitoring the EU's work on E-Justice in the context of the Scottish Government’s own Digital Strategy in Scotland;
- monitoring any potential relevance for the development of Scots law (including as part of future consideration of the Criminal Justice (Scotland) Bill) of proposed directives on the Presumption of Innocence, Procedural Safeguards for Children in Criminal Proceedings and Legal Aid in Criminal Proceedings, and of negotiations on the EPPO for the work of the prosecution service in Scotland;
- considering how the Commission’s European Agenda on Migration referred to in the latest Commission Work Programme is to include measures against people trafficking and smuggling;
- considering any relevant issues arising from revised approach on the Scottish Government’s Action Plan on European Engagement once published in April;
- examining the Justice and Home Affairs agenda 2015-20 once agreed.

In the first instance, the Committee has agreed to write to the Cabinet Secretary for Justice seeking updates on the areas listed above. We also previously agreed to hold an informal briefing from Europol in March and, in the same month, we are hearing from an EU expert on human trafficking in the context of the Human Trafficking and Exploitation (Scotland) Bill.

Please feel free to contact me if you require any further information on our EU engagement work.

Christine Grahame MSP
Convener

3 January 2015
EU Priorities

During 2014 the Committee further pursued its agreed EU Priorities for 2013. While scrutinising the draft National Planning Framework 3 (draft NPF3) we noted the comments of the Royal Incorporated Architects of Scotland (RIAS) about the lack of a European and international aspect to the draft NPF3. As one of the main purposes of the National Planning Framework is to support economic growth and competitiveness, this omission seemed to be at odds with the need for planning to support Scotland’s trade and engagement relationships. We recommended in our Report at paragraphs 72 the Scottish Government rectify the lack of both spatial connectivity and recognition to the world outside Scotland in the finalised NPF3 when it is published in June 2014.

In addition, the Committee while carrying out its inquiry into the Delivery of Regeneration in Scotland examined: EU funds in supporting regeneration; Community access to EU funds to support community-led regeneration; and State aid regulations (paragraphs 493 -539). Our principle recommendations were:

- the Scottish Government identifies and implements intermediary activity to aid delivery of EU funds to community groups and, for the longer term, makes representations to the EU.
- the Scottish Government report annually on outcomes, both economic and social, from the previous financial year, and identifying its targets for the coming financial year in relation to the Joint European Support for Sustainable Investment in City Areas (JESSICA)
- we were concerned to learn of the difficulties raised in respect of the state aid regulations in some cases leading to the abandonment of regeneration schemes. We consider the approach to date has been overly risk adverse. Much of it appeared to be driven by a ‘safety first’ approach by the supporting organisations. In the short term, we recommend the Scottish Government issue robust advice indicating that the regulations are not aimed at community-led regeneration.
- the Scottish Government should quickly establish a state aid advisory committee with representatives of Highland and Islands Enterprise and the Scottish Community Alliance. One role of such a committee would be to issue advice to sponsoring organisations in terms of applications for funding by community groups and organisations.

On 4 February, the Committee agreed its EU Priorities to the end of this Parliamentary Session and to mainstream consideration of EU issues, when appropriate, for the rest of our work programme. We also agreed a number of specific EU issues which we would like to keep under review throughout 2015/16 and others where we will actively seek further information.
In relation to the Committee’s continuing interest in regeneration, we have agreed to write to the COSLA European Unit (the Unit) seeking further information on the implementation of the 2014-2020 European Structural Funds Programmes in Scotland. Additionally, we agreed to write to the Unit regarding any progress on the potential impact on local government of (a) the Inter-institutional agreement on better law making; (b) the Late Payments Directive review; and (c) the Mandatory Transparency Register.

Another area which has been of sustained interest to the Committee is public sector reform. As such we have agreed to monitor the Scottish Government’s plans for the implementation of the EU Public Procurement Rules on Local Government and, at an appropriate juncture, seek COSLA’s view on their consultation thereon.

The Committee has also sought further background information from SPICe in order to determine the extent of the role local government has in distributing European money for tackling youth unemployment and also what the local government impacts are of the Digital Single Market proposal.

Finally, the Committee agreed to keep a watching brief via the EER Committee’s Brussels Bulletin for any potential impact on Local Government of: the Multi-Annual Financial Framework (MFF) and the Scottish Partnership Agreement 2014-2020; and the Transatlantic Trade and Investment Partnership (TTIP). To assist with this task it was agreed the Brussels Bulletin should be circulated to all committee members.

Kevin Stewart MSP  
Convener  
9 February 2015
Report from Rural Affairs, Climate Change and Environment Committee

EU Engagement in 2014 and EU Priorities for Engagement and Scrutiny 2015

The Rural Affairs, Climate Change and Environment Committee agreed, at its meeting on 4 February 2015, its report on its EU activity in 2014, and its EU priorities for engagement and scrutiny in 2015 as follows—

RACCE Committee EU Engagement in 2014

General

In 2014 the Committee regularly reviewed its agreed priorities for 2014. The priorities and relevant other information was also available on the Committee’s webpage, and updated as necessary. The Committee’s agreed priorities for 2014 were—

- to continue to engage in scrutinising the roll-out of the reformed CAP and CFP and related instruments;

- to consider, as part of its on-going Committee work, instruments which relate to climate change commitments, and track developments relating to the potential increase in the EU 2020 climate target and the establishment of an EU 2030 framework for climate and energy policies;

- to keep a watching brief (via the Brussels Bulletin and a six monthly review of the Scottish Government’s EU priorities and plans for engagement) on: resource use and waste including job creation in the “green economy”; the framework for safe and secure unconventional hydrocarbon extraction, and; sustainable development; and

- to review the Scottish Government’s EU Priorities and plans for EU engagement, once updated.

On 29 July 2014 the Committee wrote to the Scottish Government to request an update on its EU priorities, and a response was received by the Cabinet Secretary on 23 September, and was subsequently considered by the Committee.

Briefings by EU officials

In 2014 the Committee hosted two briefings for MSPs by senior EU officials—

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• the first, on 13 March 2014, was with Michael Scannell, Director of the Food and Veterinary Office in the European Commission. The subject was measures to strengthen the enforcement of health and safety standards for the whole agri-food chain to provide a modernised and simplified risk based approach to the protection of health and the operation of the food chain. The European and External Relations and Health and Sport Committees were also invited to the event.

• the second event, on 19 June 2014, was with Tassos Haniotis, DG AGRI's Director for Economic Analysis, Evaluation and Communication. The subject was the "big picture" of world markets and the implications for CAP and to specifically address such Scottish issues as the livestock sector, climate change and the environment and again members of the European and External Relations were invited to the briefing.

Both of these events were very successful, with many members attending, and very positive feedback received afterwards from the EU officials concerned.

Common Agricultural Policy

Although 2014 saw the Committee focussing predominantly on domestic implementation of the new Common Agricultural Policy (CAP) its scrutiny still frequently touched on EU issues and continuing finalisation and interpretation of the CAP at an EU level. The Committee's evidence taking included stakeholders, the Cabinet Secretary, and also the then UK Secretary for State for Environment, Food and Rural Affairs, Owen Paterson MP. The Committee subsequently reported its views\(^{40}\) to the Scottish Government. The Government responded\(^{41}\) to the Committee’s letter on 11 June 2014.

\(^{40}\) Scottish Parliament Rural Affairs, Climate Change and Environment Committee. Letter to the Scottish Government, 9 May 2014. Available at:
Fisheries
The Committee took evidence on fisheries and marine issues from the UK Parliamentary Under Secretary of State for Farming, Food and Marine Environment, George Eustice MP, which included discussions on the Common Fisheries Policy and EU legislation and rules.

Climate Change
The Committee continued its scrutiny of climate change issues throughout 2014, which included discussions on the EU’s own climate change target. The Committee reported its views to the Scottish Government on 26 November 2014. Paragraph 25 of the Committee’s letter specifically refers to an EU issue—

Another issue discussed has been a perennial topic for discussion since the Climate Change (Scotland) Bill was passed in 2009, that of the EU target, and whether it would move from 20% to 30%. Many stakeholders have noted that the RPP2 states that for targets to be met Scotland would need to implement all policies and proposals and the EU would need to move to a 30% target. The Committee was told that a move to 30% was “off the table” at an EU level and that the debate had now moved to the possibility of a move to 40% over a longer time period. Subsequently EU leaders have agreed to an EU greenhouse gas reduction target of at least a 40% compared to 1990 by 2030. The Committee would therefore like to know what the implications of the EU not moving to a 30% target by 2020 are for Scotland in terms of meeting the annual targets described in RPP2.

Resource use and circular economy
Following sessions in 2013 with the then European Commissioner for the Environment, Janez Potočnik, who spoke about the benefits of moving towards a more circular economy, and Professor Walter Stahel, the Committee continued its interest in this area in 2014. The Committee received an informal briefing on the issue from Scottish Government officials on 30 April 2014, followed by a roundtable session with stakeholders on 14 May 2014. The Committee then wrote to the Cabinet Secretary\(^43\), on 26 June 2014, with its views. Several parts of the letter referred to European legislation and funding streams. The Cabinet Secretary responded on 18 August 2014\(^44\), and his response also contained several EU references, including his statement that—

“The Committee has emphasised the importance of providing leadership in promoting and supporting the development of a circular economy in Scotland, and I agree wholeheartedly with this sentiment. Scotland is already recognised as being at the forefront of the circular economy movement in the UK, and I am determined to continue this leadership within the UK and beyond that at EU level.”

Other issues
The evidence session with the then UK Secretary for State for Environment, Food and Rural Affairs, Owen Paterson MP, on 23 April 2014, included discussions on other EU issues, such as GMOs and the how the UK and Scottish Government’s work together on EU issues, and at EU meetings.

RACCE Committee EU priorities for engagement and scrutiny in 2015

The Rural Affairs, Climate Change and Environment Committee has agreed its EU priorities for engagement and scrutiny in 2015. These are—

Continued scrutiny of CAP and CFP implementation
As with previous years, the Committee will continue to engage in scrutinising the roll-out of the reformed CAP and CFP and related instruments.

Review of the process for authorising GM products and cultivation of GM crops
Currently, only one GM crop - insect-resistant maize MON 810 from Monsanto - is grown in the EU. In recent years applications for marketing authorisations for other GM crops have been blocked by the Council of the European Union, where there has not been a qualified majority in favour of approving new varieties. Currently


only concerns that a GM crop would pose serious risks to either human health or the environment can be used as a basis for opposing applications.

Some member states which are opposed to GM have called for more freedom and flexibility to restrict or prohibit the cultivation of GMOs on their territory. A European Commission proposal on this was made in 2010, but has been deadlocked in the Parliament and the Council. In December 2014 the Parliament and Council reached a political agreement on the proposal, and the Parliament voted to approve a text at a plenary session on the 13 January 2015.

The proposal would allow Member States the freedom to restrict or prohibit the growth of GMOs on wider environmental grounds and on other grounds, such as town and country planning requirements, socio-economic impact, avoiding the unintended presence of GMOs in other products and farm policy objectives. Bans could also include groups of GMOs designated by crop or trait.

The European Commission’s Work Programme for 2015 includes a proposal for a further review of the GMO decision-making process. The Work Programme says that the review will look at how the rules could be changed to better ensure the majority view of Member States is taken into account, following which the Commission will make legal proposals.

Climate change negotiations – Communication on the road to Paris

On 30 November 2015 the Conference to the Parties to the UN Framework Convention on Climate Change will begin its 21st meeting in Paris. The goal is to adopt a successor agreement to Kyoto at the meeting with a new set of binding commitments to reduce greenhouse gases. The European Commission leads negotiations on behalf of Member States. The Commission Work Programme states that the Commission will produce a non-legislative proposal during 2015 which will outline the EU vision and expectations and explain partner ambition and set out the contribution the EU intends to make to reducing greenhouse gas emissions.

Review of the Birds and Habitats Directives

The 3rd Annex to the European Commission’s Work Programme lists a number of pieces of legislation and policy areas where the Commission intends to begin reviews to check fitness for purpose during 2015. These include a proposal to review the Natura 2000 legislation (Birds and Habitats Directives). The review is due to be completed by 2016. In his mission letter to the Commissioner for

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46 For existing legislation the purpose of the reviews is to assess relevance, coherence, efficiency, effectiveness and EU added value of EU legislation and identify further opportunities for simplification and burden reduction, and to simplify and reduce regulatory burden, and identify repeals of legislation no longer needed.
Environment and Fisheries, Carmenu Vella, the President of the Commission, Jean Claude Juncker asked him to carry out an in depth evaluation of the two directives, and assess the potential for merging them into a more modern piece of legislation. As in 2014, the Committee intends to keep these priorities under regularly under review, and will also request updates from the Scottish Government when deemed necessary. The clerks will also continue to circulate the Brussels Bulletin, and any other relevant European information provided by the EERC, or other sources, to the Committee members. The Committee will also continue to post reports of EU Council meetings by the Cabinet Secretary and the Minister on its webpage and tweet links, as it did throughout 2014.

Other issues
The Committee also agreed to monitor EU developments on the issues of neonicotinoids and unconventional gas respectively.

Should you require any further information on the work of the RACCE Committee in relation to EU scrutiny and engagement the Clerks to the Committee would be pleased to provide that to you.

Rob Gibson MSP
Convener

4 February 2015

47 The Birds Directive was passed in 1979 and the Habitats Directive in 1992, though both have been consolidated more recently to account for amendments made since then.

Work programme: The Committee also agreed an approach and timetable for the 2015 EU Strategy for Scottish Parliament committees.


EU Strategy: The Committee took evidence from—

Jacqueline Minor, Head of Representation in the United Kingdom, European Commission.


EU Engagement and scrutiny of the Committees of the Scottish Parliament on European Union policies (in private): The Committee considered a draft report. Subject to changes being agreed to, the Committee agreed to publish the report.
ANNEXE C: ORAL AND WRITTEN EVIDENCE

Oral evidence


EU Strategy: The Committee took evidence from—

Jacqueline Minor, Head of Representation in the United Kingdom, European Commission.

Written evidence

European Commission: A new start: the 2015 Work Programme

Infographics

1. ec_workprogramme_infographic1
2. ec_workprogramme_infographic2
3. refit_update3

Supplementary written evidence from Jacqueline Minor, European Commission

General Background on the Anti-Money Laundering and Counter Terrorist Financing package

- On 5 February 2013, the Commission adopted a proposal for a Fourth Anti-Money Laundering Directive (AMLD) which provides for measures on the prevention of the use of the financial system for the purpose of money laundering (ML) and the financing of terrorism (TF) – see press release, together with a proposal for a regulation on information accompanying the transfer of funds
- Political agreement on both the Directive and the Regulation was achieved on 16 December 2014 – and the process towards final adoption is expected to be completed in the first half of 2015. The Directive is expected to be voted by Parliament in second reading in April 2015, to be followed by publication in the official journal. This is followed by a two year deadline for Member States to transpose the new rules into their national legislation.
- The system to fight against ML/TF is a preventive system that relies on the vigilance of private actors (banks, gambling services providers, lawyers, accountants or tax professionals ...) which are required to assess the risk presented by their customers and their transactions.
- The 4th AML Directive aims at enhancing the effectiveness of the EU legislative framework (currently regulated under the Third AML Directive)
and implementing international standards from the Financial Action Task Force (FATF) that were revised in 2012. It upgrades existing rules on customer due diligence to be applied by banks and certain non-financial entities (i.e. identification and verification of customers, ongoing monitoring and reporting of suspicious transactions). It further enhances the risk-based approach which allows focusing resources on areas of greater risk of ML/TF. It also reinforces cooperation arrangements between Financial Intelligence Units and clarifies cross-border AML supervisory arrangements.

- A major new feature in the Directive is the requirement for Member States to provide for central registers on beneficial ownership information for companies and trusts that should be accessible to competent authorities and banks/credit institutions when they perform their Customer Due Diligence (CDD) requirements. The Directive will also strengthen the provisions on enhanced CDD to be applied for business relationships with Politically Exposed Persons (PEPs).
- The proposal for the Funds Transfer Regulation revises the provisions on the information accompanying transfers of funds to secure due traceability. This Regulation follows the new FATF standards in this field.
- The AML framework now falls under the competence of Commissioner Jourová. There are close connections with financial services regulation, as a robust AML framework is seen as a precondition to a sound financial framework.

29 January 2015
ANNEXE D: OTHER WRITTEN EVIDENCE

Written evidence from Minister for Europe and International Development, 15 January 2015
Written evidence from Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy, 31 January 2015
Written evidence from Scottish MEPs

Ian Hudghton MEP and Alyn Smith MEP,
Scottish National Party Group, European Parliament

The European and External Relations Committee has intimated its intention to discuss the contents of the Commission Work Programme (CWP) with other Scottish Parliament committees with a view to establishing priorities for 2015. The work of the Scottish and European parliaments clearly overlaps in a number of important areas and the SNP group in the European Parliament is delighted to take the opportunity to feed into this process.

The Commission has stated that its priorities in the coming year are aimed at promoting jobs, growth and investment. The CWP contains ten key headings and the Commission has pledged that all proposals in the coming year will contribute to the priorities outlined in these headings. These subject areas are undoubtedly of great importance to the Scottish Parliament and the SNP considers that it is imperative that MSPs and MEPs of all parties cooperate to contribute to the Commission's stated goals.

1. A New Boost for Jobs, Growth and Investment

It should be noted that Scotland is already making a vital contribution towards the EU's overall targets in this area. This ranges from a near-record high economic activity rate of 78.6%, unemployment at 5.9%, below the UK level, and 30,000 Modern Apprenticeships and the Opportunities for All programme helping young people into work; rolling out £410m worth of superfast broadband infrastructure, delivering next generation access to remote communities; and boosting Europe's research potential through the creation of Innovation Centres in key growth sectors like Digital Medicine and Industrial Biotechnology.

The CWP explicitly highlights the importance of eco-industries and eco-innovation in promoting the European economy. Scotland has taken a lead in promoting these sectors and the recent announcement of €985m through the European Regional Development Fund and the European Social Fund underlines the importance of EU-Scottish cooperation in this field. It is important that both the Scottish Parliament and the EU institutions continue to prioritise this work in the coming year.

Whilst Scotland has the potential to be a world leader in the eco-industries, more traditional industries also remain of vital importance. The oil and gas sector will remain important to the Scottish economy for some considerable time to come and it is essential that it is adequately supported, particularly in the current economic climate. The Scottish Parliament unfortunately lacks the power to make the necessary changes to the taxation regime to aid the industry; it is therefore

imperative that MSPs and MEPs lobby the UK government with a view to supporting this sector.

2. A Connected Digital Single Market

The CWP's prioritisation of the digital single market compliments the Scottish government's work to make Scotland a world-class digital nation by 2020. Whilst Scotland is geographically removed from many of the biggest markets in Europe, the digital economy allows Scottish businesses to overcome these handicaps. Recent announcements of superfast subsea links will undoubtedly bring benefits to Scotland's island communities.

The CWP states that the Commission is preparing a strategy aimed at completing the digital single market. Given the increasing importance of the digital economy to Scotland, it is important that the Scottish Parliament plays a full role as and when this strategy is published.

The Commission has also indicated its intention to update European intellectual property law. The Scottish Parliament does not as yet have competence in this area and the UK IP system is bureaucratic and expensive. In the longer term, it will be beneficial for Scotland to gain competences in this area.

3. A Resilient Energy Union with a Forward-Looking Climate Change Policy

Scotland has led the way on the EU's climate and energy goals: we are well on course for meeting our target for 100% equivalent of Scotland's electricity consumption to come from renewables by 2020, and the sector already supports over 11,000 jobs.\(^{51}\) We support targets for 2030 and EU action on reducing carbon emissions, promoting renewables and growing the green economy - but such action must respect the principle laid out in the Treaty that Member States are in charge of their natural resources and decide on their own energy mix, with recognition of the principle of subsidiarity and local decision making, particularly on energy efficiency measures.

4. A Deeper and Fairer Internal Market with a Strengthened Industrial Base

As the CWP notes, the single market is one of Europe's best assets whose potential must be fully exploited. It is gravely concerning that Scotland's continued membership of this single market is threatened by the increasingly insular attitudes of the Westminster parties. The SNP believes that the freedom of movement of workers brings huge benefits to Scotland's economy and society; the increasingly xenophobic political discourse at Westminster is worrying.

With regard to the rural economy we welcome proposals led by Commissioner Hogan for an in-depth review of CAP and other agricultural legislation for the purposes of simplification. The Pack report includes important recommendations on reducing red tape for farmers and land managers, and we suggest that MSPs work to encourage the Commission to take up these suggestions.

\(^{51}\) [http://www.scotland.gov.uk/topics/business-industry/energy/facts](http://www.scotland.gov.uk/topics/business-industry/energy/facts)
We welcome the review of the Posting of Workers Directive as an opportunity for the relevant authorities to introduce performance standards in public procurement contracts relating to the payment of the Living Wage. The SNP group in the European Parliament will work with MSPs to promote these goals.

5. **A Deeper and Fairer Economic and Monetary Union**

Although from a country which is not a member of the Eurozone, we support the efforts of Eurozone Member States and the Commission to make new institutional arrangements for the more effective working of that currency, such as through the completion of Banking Union and an improved European Semester.

We support measures to tackle tax avoidance, tax evasion and tax fraud through better exchange of information between tax authorities and to ensure that profits are taxed where they are earned, whilst maintaining the principle that setting tax rates and structures remains under the sovereignty of Member States.

We continue to support a Financial Transactions Tax at global level with the revenues earmarked for global development.

6. **A Reasonable and Balanced Free Trade Agreement with the U.S.**

We take due note of the potential impact on jobs and growth of TTIP, such as through improved food and drink exports to the US if EU geographical indications are protected through the agreement. However, there are also serious concerns surrounding the impact on the quality of our regulations and the ability to legislate in the public interest if TTIP leads to broad harmonisation of so-called Non-Tariff Barriers. We maintain the right of democratically elected governments to organise public services in the way that best suits the interests of the people, and we strongly oppose any dilution of core EU standards in fields such as food safety, health, the environment, labour and others.

Negotiations are still at an early stage and we will keep a close eye on their progress. The Commission is increasingly alert to the strength of feeling amongst European citizens as to the potential threats from an unsatisfactory conclusion to the TTIP negotiations. Whilst MSPs will have no formal role in approving any EU-US agreement, they should feel no compunction in lobbying on behalf of civic Scotland.

7. **An Area of Justice and Fundamental Rights Based on Mutual Trust**

The SNP supports the role of the EU in promoting justice and fundamental rights. The CWP states that the Commission will pursue EU accession to the European Convention on Human Rights - at the very time when senior Westminster politicians are proposing UK withdrawal from ECHR. Whilst the Scottish Parliament will have no power to prevent Scottish withdrawal from ECHR if that is what a UK government legislates for, Scotland's MSPs and MEPs should campaign together in advance to prevent such an eventuality.
The CWP commits the Commission to promoting equality between men and women. Important work in this area is also being carried out in Scotland and MEPs and MSPs should liaise in efforts to promote gender equality.

8. **Towards a New Policy on Migration**

Recent tragedies in the Mediterranean underscore the need for the EU to take a collective approach to migration issues. The SNP wholeheartedly rejects the increasingly racist narrative emerging from Westminster with regard to migration and Scotland's MEPs and MSPs should cooperate in the coming year to counter this right-wing agenda.

The Scottish Parliament clearly has no direct say in UK or EU migration policy but recent and on-going cross-party cooperation on human trafficking shows that devolved competences do have a vital role to play in this area. As MEPs we pledge to support any initiatives taken by MSPs to prevent human suffering in this field.

9. **A Stronger Global Actor**

The EU is already an important global actor and the SNP fully supports Scotland's part in this European cooperation. Opinion polls show that a majority of Scots support our continued membership of the EU - and this is reflected in the pro-EU stance of the overwhelming majority of Scotland's MEPs and MSPs.

As the UK general election approaches, it is unclear what the future holds for Scotland's EU membership. An in/out referendum is looking increasingly likely and, as things stand, the distinct view of the Scottish electorate may not prevent a UK exit. Pro-EU MSPs of all parties should make their feelings known - and can perhaps use this as an opportunity to demonstrate their willingness to diverge from the views of their Westminster parties' leadership.

10. **A Union of Democratic Change**

The SNP is clear that, rather than obsessing over the balance of competences between the EU and the Member States, and the treaty changes that would result, we should be focusing on improving the EU's performance within the competences it currently holds. Action should be taken in areas linked to the EU 2020 targets, such as boosting economic growth and creating jobs, tackling youth unemployment, fighting climate change and promoting renewable energy, and reducing poverty and protecting workers' rights. Full regard must be had for the principles of subsidiarity and proportionality.

The Scottish Parliament currently lacks the powers of Member State parliaments in all areas of EU engagement. Nevertheless, the work of MSPs continues to be of huge importance to the European Parliament - and we hope that regular interaction between ourselves and the European and External Relations Committee continues in the coming year.

January 2015
David Coburn MEP, European Parliament

Introduction

The EU was meant to bring us a golden future, but instead it has brought us stagnation, unemployment and social discontent and undermines the position of elected politicians. Whilst many commentators understand that the EU is extremely unpopular with the electorate, they believe that people vote on the ‘economy stupid’ and not on constitutional matters. This might have been true in the past but the Euro zone crisis and the issue of continued mass immigration from Eastern Europe has now irrevocably linked the economy with European constitutional matters. As the recent high turnout in Scottish Independence referendum demonstrated, constitutional matters do engage the public especially when they understand what is at stake.

Given the extent of such problems throughout the European Union, the Commission was indentified the following challenges when drawing up its 5 year work programme:

“This Commission was voted into office with a commitment to make a difference: to do different things and to do things differently. Citizens expect the EU to make a difference on the big economic and social challenges – high unemployment, slow growth, high levels of public debt, an investment gap and lack of competitiveness in the global marketplace. And they want less EU interference on the issues where Member States are better equipped to give the right response at national and regional level. They also expect the EU to be more open and accountable about what it does and how it does it.”

According to the EU the ten priority policy areas of the work programme are as follows:

1. A new boost for jobs, growth and investment
2. A connected digital single market
3. A resilient energy union with a forward-looking climate change policy
4. A deeper and fairer internal market with a strengthened industrial base
5. A deeper and fairer economic and monetary union
6. A reasonable and balanced free trade agreement with the US
7. An area of justice and fundamental rights based on mutual trust
8. Towards a new policy on migration
9. A stronger global actor
10. A union of democratic change

We will look at each one of these aims in turn and look at the current state of the European Union

1. A new boost for jobs, growth and investment
   Basically the EU plan is invest Euro 315bn in various “Strategic areas” across of the Europe which means investment in Energy, Transport, Broadband, Education Research and Education.
“The new economic narrative of the Commission is built around three main strands”

- Boosting investment,
- Pursuing structural reforms
- Fiscal responsibility AKA Austerity in the Eurozone

Boosting Investment

Infrastructure

Jean-Claude Junker said: "If Europe invests more, Europe will be more prosperous and create more jobs – it’s as simple as that. The Investment Plan we are putting forward today in close partnership with the European Investment Bank is an ambitious and new way of boosting investment without creating new debt. Now is the time to invest in our future, in key strategic areas for Europe, such as energy, transport, broadband, education, research and innovation. I am now counting on the European Parliament and on Member States to pitch in and do their part to get the new European Fund for Strategic Investments up and running as soon as possible.”

Two Issues?

Firstly how can we be investing without increasing debt? – If a government spends more the result at least in the short term is more debt as it has to borrow the money.

Whilst investment areas such as energy, transport, broadband, education, research and innovation sound sensible enough, whether it will work depends on what, where and how it spends the money. The devil as always will be in the detail. Building infrastructure in richer countries or regions will not relive problems in the poorer ones. Likewise building infrastructure in poorer counties or regions may not stimulate economy activity there.

Fraud and Corruption

The EU has an appalling problem with fraud and corruption and its Accounts have not been signed off by its own court of Auditors for nearly 20 years

http://www.bbc.co.uk/news/world-europe-26014387

Getting the Long Term Unemployed back to work

“A package of measures to support Member States in getting people, especially the longer term unemployed and younger people, into work and
developing a skilled workforce. This will include measures to follow up on the implementation of the Youth Employment Initiative, a proposal for a Council recommendation on integration of the long term unemployed, as well as measures to promote skills development.”

Just an observation many people who are unemployed and stuck on benefits not due to a lack of jobs but due to the welfare system seemingly to penalise and punish those who want to return to work rather than help them. Rather than having yet more training programmes surely it would be better to allow the unemployed to receive benefits up until receipt of their first full monthly wage. The same is true about high marginal rates of tax on low pay, which is why UKIP wants to take the low paid out of the tax system.

Czech Euro sceptic MEP Petr Mach summed the issue at the very heart of the problem with the EU’s Work Programme during last week’s debate on the Latvian EU presidency

“The irony of a former Eastern Bloc country that was part of the Soviet Union after it was annexed by Stalin in 1940 and which shook off Soviet rule 25 years ago, was presenting a Soviet style 5 year plan. He describes the plan as a load of meaning hot air written by bureaucrats, which is in my assessment of the work programme in the main. Why be so negative you ask? Well Petr Mach brought up the EU’s previous record at making predictions

“In the 2000 we defined the Lisbon Strategy up to 2010 we wanted to be the most dynamic economy in the world. However in 2010 the EU economy became the slowest economy in the world.”

2. A connected digital single market

One of the stated aims of EU Commissions work programme is a connected digital market.

“The Strategy will focus on six strands: building trust and confidence, removing restrictions, ensuring access and connectivity, building the Digital economy, promoting e-society and investing in world-class ICT research and innovation”.

Whilst all of the above sounds good and certainly improving broadband access and connectivity is certainly a good idea. Let’s look at the EU’s recent record in promoting E business. Remember it is businesses and not governments that create jobs, growth and wealth.

The recent EU decision have seriously undermined the new digital economy, In particular the decision to levy VAT on all digital products at the VAT rate of the country buyer as from 1st Jan 2015. This means that small vendors are now subject to the same VAT rules as global brands. The UK had a sensible VAT Threshold of £81,000 where only those businesses with a turnover over this amount had to register for VAT. Now this is abolished so that all online vendors are now subject to the same level of VAT red tape and extra costs.
This imposes burdensome red tape and imposes extra costs on digital cottage industries such as Authors selling eBooks, Musicians selling MP3 albums on their own website rather than iTrunes, app developers many of whom are in Scotland etc killing off innovation and competition and raising barriers to entry for the benefit of the likes the corporate giants such as Google, Apple and Amazon.

3. A resilient energy union with a forward-looking climate change policy

According to the European Commission, energy should be able to flow freely across the borders of the member states of the EU. There are two problems here, the first is the EU’s foreign policy spat with Russia and the second is EU national governments and there state owned energy companies. Before we can look at these two issues we need to first look at the EU’s poor track record with energy policy VIS-A-VIS renewables and the extra costs which burden European industry which is resulting in economic stagnation and job losses in key sectors and we can do nothing about it whilst we remain in the EU.

European Union (EU) and UK and Scottish government energy policies aimed at reducing CO2 emissions have failed to make any impact at the Global level. These same policies have only succeeded in pushing up electricity prices, making EU economies less competitive and in spreading energy poverty amongst the poor thus in other words making the economic depression worse by driving out manufacturing jobs to other countries such as the USA and BRICS.

Industry and Competitiveness

For example taking the example of Germany which is the EU’s strongest economy and largest manufacturer. Energy costs to German businesses have risen by 60 per cent in the last few years, driven by subsidies and other costs (such as the financing of new infrastructure and addressing problems with system imbalances). Germany is realising that far from solving the environmental problem (Germany is still one of the biggest CO2 emitters in Europe), the fast growth of subsidised renewables raises at least three major issues. The first one is of course the most pressing: German’s economic competitiveness can be severely harmed by high energy prices. It would be unfair to claim that the recent downturn was caused by them, but it is self-evident that, all else being equal lower energy prices would have helped mitigate it.

Secondly, in order to protect the most powerful groups (such as energy-intensive industries and the renewable lobby) the cost burden is focused on smaller businesses. This may work up to a point, but then it becomes a social, economic, and political problem. Finally, the country will have to deal with the ‘vested rights’ issue sooner or later: how do you draw the line between the ‘right’ of subsidy recipients to keep getting incentives and the ‘duty’ of taxpayers and energy consumers to finance foolish spending even at the cost of shutting down their own activities or giving up a significant share of their income?
Renewables are unreliable.

Whilst we hear some headlines showing good news for renewables they only tell half the story. Renewables as well as being expensive do not generate enough electricity to cope with peak levels of demand and require a conventional backup power station running in standby. Wind blows more reliably at night yet peak demand is during the day. During prolonged periods of high pressure, the wind does not blow therefore the wind farms don't produce for example the output from Wind power during the very cold winter of 2009/10 only produced about 5% of its 5% Target which was 0.05%. Luckily we had plenty of conventional power back up to cope. However we are closing perfectly good coal and gas fired power stations to meet EU emissions targets.

The unreliability of supplies of Gas from Russia due to EU expansion in Ukraine.

Gas from Russia is now the main source of energy for the backup power plants required to run alongside renewables but the EU’s expansionist policy in Ukraine is threatening this resource. Events in Ukraine have propelled energy security back to the top of the EU’s foreign policy agenda. Russia’s actions have led to sharper consideration of the need for energy diversification. Both energy consumption and dependency on oil and gas imports growing - the EU’s 28 member states import over 53 per cent of their energy – the risk of supply failure is rising. For the EU, this has one clear implication: it cannot continue to depend on an unreliable energy supplier, which is using energy as a political tool.

The planned Energy Union

According to the European Commission, energy should be able to flow freely across the borders of the member states of the EU in order to make Europe greener, safer, cheaper, thriftier and more modern.

In order to do this, it will need to build energy “interconnectors” between states which allow the two way exchange of both electricity and gas. There are problems with this due to the influence of Russia in Balkans which has restricted the building of Gas interconnectors. In 2002 the EU set a goal that 10% of national electricity capacity however many member states such as France dislike cross-border power flows as it undermines their own national energy strategy. Whilst there is plenty of money to pay for new projects they take too long to come on stream – an average of ten years. Interconnectors are hard to finance and when they are effectively equalising prices they may not be used at all.

We In order to address these problems by:

- Repeal the Climate Change Act 2008 which costs the economy £18bn a year.
- UKIP supports a diverse energy market including coal, nuclear, shale gas, geo-thermal, tidal, solar, conventional gas and oil.
European and External Relations Committee, 1st Report, 2015 (Session 4) — Annexe D

- Scrap the Large Combustion Plant Directive and encourage the redevelopment of British power stations, as well as industrial units providing on-site power generation.
- Supports the development of shale gas with proper safeguards for the local environment. Community Improvement Levy money from the development of shale gas fields will be earmarked for lower council taxes or community projects within the local authority being developed.
- There will be no new subsidies for wind farms and solar arrays.
- UKIP will abolish green taxes and charges in order to reduce fuel bills.

4. A deeper and fairer internal market with a strengthened industrial base

The single market rests on four pillars:

- Free movement of goods, persons, services and capital.
- The approximation of relevant laws, regulations and administrative provisions.
- EU-wide competition policy, administered by the Commission;
- A system of Common External Tariffs (CET – also known as the Common Customs Tariff).

The biggest bone of contention is the free movement of people. When the EU was Western Europe this was not a problem we all had similar economies so the free movement of people worked ok. However due to accession of Eastern Europe this has changed. Now is as the richer economies of Northern and Western differ too great from the poorer Eastern and Southern Europe. The oversupply of cheap unskilled labour from Eastern Europe is causing economic havoc in Western Europe and reducing the available jobs for those in the western EU states such as the UK. This results in wage compression, unemployment, under employment (zero hours contracts) and resulting welfare bill is paid for initially by increased government debt and then eventually by cuts to public services.

As the EU expands further into Eastern Europe, Turkey and possibly North Africa this problem is only going to get worse.

5. A deeper and fairer economic and monetary union

The Euro has been an utter disaster for almost all members of the Euro zone except Germany who end up having to foot the bill alongside the UK which is not a Euro zone member but has had to provide about £30 Billion pounds in bail out money which is £400 for each family.

All counties in the Euro zone are weighed down with too much debt which was accumulated due to a flood of cheap money which flooded in due to low interest rates and artificial exchange rates which were not appropriate for the type of economy and therefore ended up in bad investments. This caused the economies of countries like Ireland and Spain to be sucked into giant property bubbles and the respective governments incapable to use interest rates or exchange rates to slow the economy down. Having accumulated the debt they are now stuck in a debt prison and subject to harsh austerity which is what the EU Commission mean
by “Fiscal Responsibility”. What that means is that the entire Euro zone is subject to the monetary and fiscal policies best suited to Germany and these measures are imposed on the other member states. In Italy and Greece elected governments were replaced with EU Troika appointed governments. In Ireland, a budget was held before a general election meaning that the voters were simply choosing the party of government.

Look at the Club Med counties and the rates of unemployment particularly youth which is averaging 50%. As bad as the austerity is in the UK, we are getting off relatively lightly in comparison as the Bank of England is able to chart a less painful economic course by engaging in Quantitative Easing.

It is also a reminder that a country is not “Independent” unless it has its own currency. Not having one's own currency means financial rule by another state which if you are in the Euro it means Germany. At the moment EU policy on the Euro is muddled. The only countries that really qualify to be in it are Germany and few other north European and Scandinavian countries. Most of the other Euro states esp. in the South are just not suitable and it looks like Greece will leave it and possibly Spain and Italy too.

The elections on January 25th 2015 in Greece may be interesting in the Greek Syria party wins. They want Greek debtors to be written off and to stay in the Euro. Whilst the best option for Greece is to leave the Euro and bring back the Drachma and get a debt write off from Germany. However Chancellor Merkel may worried about what will happen next in Spain and Italy.

Euro zone Gross domestic product is now two per cent below its 2008 level. The average annual growth rate in the decade before the crisis was 2.1 per cent. GDP is now 15 per cent below what would likely have existed in the absence of the crisis. With slow growth or absolute GDP declines, unemployment in the euro zone is naturally very high, but again there are clear differences. Germany’s unemployment rate is a reasonably healthy 5.2 per cent, but in France, Italy and Portugal, the rates are 10.4, 12.6 and 14.6 per cent, respectively. In both Spain and Greece, unemployment rates are above 25 per cent. In every one of these countries, more than 40 per cent of the unemployed have been jobless for over a year. This is the kind of economic performance, especially in Spain and Greece, that if sustained can lead to violent, social revolution. Policy makers and citizens, in Europe and elsewhere, should be worried about how the euro zone will eventually rise from the ashes – or if it ever will.

Across the euro zone, the “structural” fiscal deficit – the one that would exist if the economy were operating at full employment – went from 4.8 per cent of GDP in 2010 to 1.2 per cent this year. This tightening of fiscal policy is partly responsible for the absence of GDP growth and the increase in the debt ratio by 15 percentage points.

Us euro sceptics have been saying this the time of the Maastricht Treaty in 1992 which is why the UK has not given up the pound despite the efforts of prime ministers such John Major, Tony Blair and of course SNP Leader Alex Salmond who stated in 2004 that it would be a disaster if we didn’t join the euro then.
Euro sceptics warned then of what would happen about a one size fits all European currency union. After all we in the UK experienced precisely this with the previous attempt to tie the pound to the Deutschmark which Nigel Lawson secretly started in 1985 (unknown apparently to Thatcher until late 1987 when she read a story in FT) which led to a succession of economic problems in Britain in the late 1980s which gave way to Lawson's sacking as Chancellor of Exchequer in 1989 and the resulting decision of his successor John Major for the pound to officially join the EU Exchange Rate Mechanism which resulted in the black Wednesday crash of September 1992 and the resulting recession that lasted until 1995.

6. A reasonable and balanced free trade agreement with the US

We have discussed the implications of TTIP previously. Whilst a free trade agreement between Europe and the USA sounds like a good idea in principle and will provide Scottish businesses with increased export markets, there are some areas of concern such:

1) The Possible forced Privatisation of NHS and other public services

2) Investor State Dispute Settlement and the possibility that US healthcare corporations may use this win NHS contracts.

3) Lowering of standards with regard to Food and Drink esp. GMOs.

External Trade Deals are better by each member state

The real problem with TTIP like any other trade agreement negotiated by the EU is that the EU Trade Negotiations are now a case of too many cooks. In the past there was an argument that EU membership gave the UK more clout in trade talks. From the perspective of UK international trade the EU is now an impediment to international trade rather than a facilitator. When negotiating with another country, The EU has to try to take into account too many different interests for example for the UK the need to protect the NHS from privatisation or French need to protect is culture and media industry mean that the EU is less nimble at negotiating Free Trade agreements than non EU countries such as Switzerland who unlike the EU has successfully negotiated free trade agreements with both China and Japan.

Update on TTIP

TTIP: the International Trade Committee will debate its new draft position on the Transatlantic Trade and Investment Partnership (TTIP) Agreement for the first time and take stock of progress in the talks so far. The next day, it will debate the results of Commission's recent consultation on possible TTIP investment protection and investor-to-state dispute settlement (ISDS) provisions. (Wednesday and Thursday)
Food safety:

In the wake of the horsemeat scandal, the Environment Committee will vote a resolution urging the Commission to propose new legislation allowing country of origin labelling on meat used in processed food. According to the Commission's own research, 90% of consumers want to have this information when buying processed foods.

7. An area of justice and fundamental rights based on mutual trust

Most of British public in all four corners of the country are fed up with the European Court of Human rights and other EU directives.

- UKIP believe in reversing the government's opt-in to EU law and justice measures, including the European Arrest Warrant and European Investigation Order.
- We will replace the EAW with appropriate bi-lateral agreements.
- UKIP will withdraw from the jurisdiction of the European Court of Human Rights.
- UKIP will not give prisoners the vote.
- We will repeal the Human Rights Act and replace it with a new British Bill of Rights. The interests of law-abiding citizens & victims will always take precedence over those of criminals.

8. Towards a new policy on migration

The problems of Mass uncontrolled immigration.

We are constantly told by the powers that be that Mass uncontrolled immigration brings enormous economic benefits to the recipient country. Whilst some immigration can be positive, the net effect of mass uncontrolled immigration into the UK since around 1997 are high levels of unemployment, wage compression, a cost of living crisis, increased pressure on public services at a time when the services are getting severe budget cuts in order to pay for the increased welfare bill and record levels of national debt which has resulted from this policy.

To quote the EU's own words “Member States are facing the difficult challenge of getting more people into work.”

We need a sensible migration policy skills based migration policy rather than one based entirely on displacing our own work force.

People Trafficking and Slavery

On the subject of people trafficking, this problem has only become wide spread since the abolition of border controls. Rather than spend more money on cross border police intelligence and surveillance which may not fix the problem why not just bring back border controls?
Controlling and managing our borders

- UKIP recognises the benefits of limited, controlled immigration.
- UKIP will leave the EU, and take back control of our borders. Work permits will be permitted to fill skills gaps in the UK jobs market.
- We will extend to EU citizens the existing points-based system for time-limited work permits. Those coming to work in the UK must have a job to go to, must speak English, must have accommodation agreed prior to their arrival, and must have NHS-approved health insurance.
- Migrants will only be eligible for benefits (in work or out of work) when they have been paying tax and NI for five years and will only be eligible for permanent residence after ten years.
- UKIP will not offer an amnesty for illegal immigrants or those gaining British passports through fraud

9. A stronger global actor

More and more the European Union acts more like a super state. In addition to have a flag and an Anthem, the EU wants to acquire a foreign policy to go along with having a foreign minister no doubt an army too.

So the EU seems to be changing from being a trading and cooperation block into an expansionist imperial bloc with ambition in expanding further east in to include many of former republics of Soviet Union starting with Ukraine.

The Arab Israeli Conflict

We also had the example of recent debate at the EU Parliament regarding the recognition of a Palestinian State. Whatever one’s opinion of the merits of this, this goes against the EU’s own recently stated position that only member states and NOT the EU has the necessary competence to recognise states. What we see hear then is a power grab by the EU under the guise of wanting to act on the international stage.

10. A union of democratic change

The Biggest criticism of the EU by UKIP and other Euro sceptics is that the EU is undemocratic and currently EU Democracy is on a par with Chinese democracy.

Should we be part of an organisation that decides a majority of our laws, when these laws can only be initiated by unelected European commissioners? How can this be squared with any notion of democracy? This question is made particularly acute by the ‘let them eat cake’ attitude of the commission which wants a seven per cent increase in its budget and salaries while pursuing public service-destroying policies in southern Europe.

Indeed such is the lack of democracy in the EU that it would fail is very own criteria for EU entry. Something like 70 to 75% of all laws of member states originate in
the EU. The initiation of these laws is made by the unelected and appointed Commission and some 3000 (often highly secretive) working groups. Whilst the EU parliament has to approve these laws it has no right to propose laws or make much in the way of amendments.

National governments need to adopt such laws either completely by agreeing to implement both the Outcome and the required method or to deliver an outcome but has some freedom on how to do it. In last year’s European election, the people of the UK did not know that we were in fact electing Jean Claude Junker as the president of Europe. Not only did we not vote for him but we did not know that we were in fact electing a European president.

January 2015
Committee of the Regions UK Delegation Priorities for 2015

I am writing to you as one of the Scottish Parliament’s representatives of the Committee of the Regions with regard to the Scottish Parliament’s EU Strategy for 2015.

Please find enclosed a short summary detailing the priority areas of the UK Delegation of the Committee of the Regions in response to the European Commission’s Work Programme for 2015.

I hope this will be helpful to you and your Committee in its on-going work. If there is any further information you require then please do not hesitate to contact me.

Stewart Maxwell MSP for West Scotland (SNP)

18 February 2015

Priorities for 2015

**RECOMMENDATION:** to adopt priorities for 2015 (set out in para 8).

**SUMMARY**

1. This report provides UK members with a steer on issues on the EU agenda during 2015 and recommends items to be selected as priority areas for the UK Delegation. In the annex to this item the full EU working programme has been presented (including items unlikely to have impact for sub-national government), organised by CoR commission.

**BACKGROUND**

2. Each year the European Commission publishes an annual work programme comprising legislative proposals (directives, regulations etc) and non-legislative proposals (action plans, consultative papers). Engaging in the EU decision-making process is important: getting new EU laws right in terms of their objectives; ensuring that the principle of subsidiarity has been applied to the local or devolved level; maximising the opportunities for our councils and the communities that they serve; and challenging any inappropriate administrative costs or regulations.

3. New EU laws can affect local councils and devolved administrations. They will have a direct impact on the services they provide. Whether new laws or regulations come from Brussels or Whitehall, councils and devolved bodies are at the first line of delivery. Provisions in the UK Localism Act also mean that councils are exposed to potential fines if new EU regulations are not properly implemented at the national level.
4. Local councils and devolved bodies, and the communities that they serve, can benefit from the £7b EU regeneration and skills funding available to the UK, and a number of EU programmes promoting transnational activity.

UK PRIORITY-SETTING

5. The European Commission 2015 annual work programme was published in mid-December 2014. It highlights legislative and policy proposals to be published during 2015 and a list of recent and pending proposals to be withdrawn (possibly to be represented in another form). There will be fewer new initiatives than normal for the start of a new mandate, and a larger number of repeals of obsolete laws, marking a change of approach.

6. Below are suggested priority issues which could affect UK local authorities and devolved administrations in coming years from an administrative, cost, funding or regulatory point of view. The purpose of setting priorities is to focus CoR members' attempts at getting rapporteurships, and to enable the UK secretariat to determine where it will provide its fullest support.

7. These priorities respond to the Commission work programme for 2015. However just as important is the implementation of EU laws already adopted and, especially, accelerating the implementation of new EU funding programmes within the UK. For example, in the field of Cohesion Policy, ongoing issues include the implementation of ESI funds, the application of partnership principle, monitoring the take up and effectiveness of new delivery, territorial development concept, 7th Cohesion report.

8. The recommended priorities for 2015 are, in no particular order:

(a) new initiatives

Inter-institutional Agreement on better lawmaking [CIVEX] – continuing efforts to make EU law fit for purpose, minimising unnecessary burdens in their implementation, and respecting principles of subsidiarity and proportionality. We hope the EU will deliver on its Treaty obligation to assess the regulatory impact of new EU laws on local councils, and to expand this to consider the territorial impact; therefore we advocate CoR involvement in the Impact Assessment Board.

Transparency Register [CIVEX] – whilst strongly supporting the underlying principles of the Lobby Register, we objects to the mandatory obligation on associations of local government, given that they represent a democratically-elected sphere of European governance.

Justice and Home Affairs [CIVEX] - including fundamental rights and equality, tackling serious organised crime, and developing a new approach to legal migration.

Investment Plan for Europe [COTER] – we note the ambition and scope of this important initiative and awaits further details, notably as concerns the funding of the Plan given that it could potentially divert funds from EU cohesion policy. The
failure of the Lisbon Strategy clearly showed that such an ambitious project can only be successful if local governments are involved from the beginning.

**Promoting integration and employability in the labour market [SEDEC]** – this package of measures aims to get people, especially the longer-term unemployed and younger people, into work and developing a skilled workforce.

**Digital Internal Market [SEDEC]** – we note the broad thrust of these initiatives, and the Local Digital Agenda (e-services, e-government). Further negotiations on the data protection regulation, the implementation of the Public Sector Information (PSI) directive, the concept of ‘smart cities and communities’ will be followed.

**Internal Market Strategy for goods and services [ECON]** – noting the UK Government’s cautious welcome for this strategy, consideration could be given to excluding services of general economic interest (SGEIs) from state aid rules, or at least enjoy a privileged position in comparison to internal market relevant services.

**International trade agreements [ECON]** - we will monitor the impact of international trade agreements, such as CETA (EU-Canada), TTIP (EU-US), and TISA (WTO Trade in Services Agreement) notably as concerns public procurement, services of general interest and to what extend they will impact local councils, eg accounting standards and technical standards. The role and functioning of standardisation organisations (eg. ISO, CEN, CENELEC) need to be addressed.

**Energy Union/Climate Change Policy [ENVE]** proposals on a framework for the Energy Union and to the Communication on international climate negotiations ahead of crucial UNFCCC talks in Paris in December.

**Post-2015 Sustainable Development Goals [ENVE]** – CoR has previously highlighted the role of decentralised cooperation as means of implementation of the SDGs and, on a more general basis, the role of associations of local government in delivering the SDGs. There is a widespread call for a stand-alone goal on sustainable urbanisation (Urban SDG).

(b) proposals suggested by the European Commission for withdrawal or modification

**Circular Economy package [ENVE]** – the ideal and ambition of the circular economy concept received broad support when published in 2014; local government welcomed the increased emphasis on making producers pay for wasteful packaging, whilst expressing concern about the potential burdens on local councils associated with achieving a complete phasing out of landfill. The Commission’s stated intention of preparing a more ambitious proposal will be examined closely.

**Clean air package [ENVE]** – local government supports efforts to create a cleaner environment for our citizens. However recalling that many UK councils are still working towards satisfying existing air quality targets, with the risk of EU fines for non-compliance ever-present, local government had welcomed the focus in the
recent proposal for increased incentives and a greater emphasis on national limits which give greater flexibility to allow for local specificities.

(c) REFIT actions for evaluation, review, changes

The CoR should monitor, and possibly contribute to, the evaluation and possible changes to the following directives:

- Consolidation of directives on the information and consultation of workers
- Reduction of CO2 emissions from light duty vehicles
- Occupational health and safety
- Part-time work
- Environmental liability
- Environmental noise
- Strategic Environmental Assessment
- Remedies in the field of public procurement
- Late payments
- Promotion of clean and energy efficient road transport vehicles
ANNEX TO ITEM 8: 2015 WORK PROGRAMME BY COR COMMISSION (indicative)

Commission for Citizenship, Governance, Institutional & External Affairs (CIVEX)

Constitutional affairs and better lawmaking

NEW: Proposal for an inter-institutional agreement on better law-making
Non-legislative. A proposal to update and strengthen the common understanding with the European Parliament and the Council in relation to better regulation.

NEW: Proposal for an inter-institutional agreement on a mandatory Transparency Register
Non-legislative. The proposal for an inter-institutional agreement with the European Parliament and the Council will enhance openness and accountability by making the transparency register mandatory for all interest representatives seeking to influence policy making in any of the three institutions.

Development policy

NEW: Communication on the post 2015 Sustainable Development Goals
Non-legislative. The Communication aims at establishing EU common position on the Global Partnership to deliver the Sustainable Development Goals. It will cover both financial and non-financial implementation, domestic/international and public/private financing, different types of partnerships as well as monitoring, accountability arrangements and review.

External relations, Enlargement and Neighbourhood Policy

NEW: Communication on European Neighbourhood Policy
Non-legislative. The joint High Representative-Commission Communication will present the results of the European Neighbourhood Policy (ENP) review with a view to new policy orientations following a consultation launched together with the annual ENP package.

Migration & Asylum

NEW: European Agenda on Migration
Legislative / Nonlegislative. The objective is to develop a new approach on legal migration to make the EU an attractive destination for talents and skills, as well as to improve the management of migration by intensifying cooperation with third countries, fostering burden sharing and solidarity and fighting against irregular migration and smuggling. The agenda includes the review of the Blue Card Directive, the EU-wide work permit for highly skilled workers.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Visa Regulation [Codification of existing regulations]
Visa Information System [evaluation of existing legislation]
Unauthorised entry, transit and residence [evaluation of existing legislation]
FRONTEX including Rapid Border Intervention Teams [evaluation of existing legislation]
Legal migration [evaluation of existing legislation]

Justice & Home Affairs, Fundamental Rights and Citizenship

NEW: Proposals to complete EU accession to the ECHR
Legislative. Proposals to allow for signature, conclusion and implementation of the accession agreement, in the light of the pending guidance from the Court.

NEW: European Agenda on Security
Non-legislative. The Communication will propose a European Agenda on Security for the period 2015-2020 by reviewing the ongoing actions and identifying new actions taking into account emerging threats.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Fight against organised crime [evaluation of existing legislation]

Commission for Territorial Cohesion Policy (COTER)

Cohesion policy

NEW: The investment plan for Europe
Legislative. The follow-up actions include setting up of the European Fund for Strategic Investments (EFSI), promoting cooperation with National Promotional Banks and improving access to finance for SMEs.

Transport

NEW: Aviation Package
Legislative / Nonlegislative. The package will include a Communication identifying challenges and measures for improving the competitiveness of the EU Aviation sector, the revision of the EASA Regulation 216/2008.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Fuel Quality [evaluation of existing legislation]
- International road haulage [simplification of existing legislation (REFIT)]
- Combined transport [evaluation of existing legislation]
- Port reception facilities [evaluation of existing legislation]
- Safety Rules and Standards for Passenger Ships [evaluation of existing legislation]
- Promotion of clean and energy-efficient road transport vehicles (public procurement) [evaluation of existing legislation]
• Tunnel safety (road transport) [evaluation of existing legislation]

Commission for Economic (ECON)

Economy and internal market

NEW: Mid-term review of the Europe 2020 strategy
Non-legislative. Improved and updated Europe 2020 strategy, drawing lessons from the first four years of the strategy and ensuring it acts as an effective post-crisis strategy for growth and jobs in Europe. Follows up on the recent public consultation.

NEW: Internal Market Strategy for goods and services
Legislative / Nonlegislative. A strategy for a renewed and integrated approach for the Single Market, to deliver further integration and improve mutual recognition and standardisation in key industrial and services sectors where the economic potential is greatest, eg business services, construction, retail, regulated professions, advanced manufacturing and combined services/goods provision. A particular focus will be on SMEs.

NEW: Deepening Economic and Monetary Union Package
Legislative / Nonlegislative. The package will follow-up on the review of the most recent economic governance measures ('six-pack' and 'two-pack'), provide incentives for structural reforms and address the external representation of the Economic and Monetary Union.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

• Modified Proposal establishing rules on the access of third country goods and services to the EU [internal market in public procurement [simplified proposal]
• Modified proposal on a Common European Sales Law [simplified proposal]
• Business Marketing Directive [simplification (REFIT)]
• Application of the principle of mutual recognition for goods [evaluation of existing legislation]
• Remedies in the field of public procurement [evaluation of existing legislation]
• Pre-packaging directives [evaluation of existing legislation]
• Chemicals legislation other than REACH3 [evaluation of existing legislation]
• Machinery Directive [evaluation of existing legislation]
• Late Payment Directive [evaluation of existing legislation]
• Construction sector [evaluation of existing legislation]

Financial and banking regulation

NEW: Capital Markets Union
Legislative / Nonlegislative. An action plan for improving the financing of the economy through more efficient market-based financing instruments including work towards a framework for high quality securitization.
NEW: Framework for resolution of financial institutions other than banks
Legislative. Proposal to create a European framework for the recovery and resolution of systemically relevant financial institutions such as Central Clearing Counterparties

NEW: Proposal for a Directive with a view to providing for compulsory exchange of information in respect of crossborder rulings
Legislative. The proposal will ensure the exchange of relevant information between tax authorities of different Member States on advance interpretations or applications of legal provisions in cross border situations of an individual taxpayer.

NEW: Action Plan on efforts to combat tax evasion and tax fraud, including a Communication on a renewed approach for corporate taxation in the Single Market in the light of global developments
Non-legislative. The Action Plan will, starting from the work done on base erosion and profit sharing at OECD and G20 levels, include measures at EU level in order to move to a system on the basis of which the country where profits are generated is also the country of taxation, including in the digital economy. The Communication will aim at a stabilising corporate tax bases in the EU for a fair taxation environment, including relaunching work towards a Common Consolidated Corporate Tax Base.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)
- Excise duty [evaluation of existing legislation]
- Prospectus Directive [evaluation of existing legislation]
- International accounting standards [evaluation of existing legislation]
- Company law [Codification]

International trade agreements

NEW: Trade and Investment Strategy for Jobs and Growth
Non-legislative. A comprehensive review of the EU’s trade policy strategy, and in particular its contribution to jobs, growth and investment. The review will cover all aspects of trade policy, including bilateral, plurilateral and multilateral negotiations as well as autonomous measures. It will include policy orientations in all these areas for the next five years.

Commission for Social Policy, Employment, Education, Youth, Culture and Research (SEDUC)

Employment policy

NEW: Promoting integration and employability in the labour market
Legislative / Nonlegislative. A package of measures to support Member States in getting people, especially the longer term unemployed and younger people, into work and developing a skilled workforce. This will include measures to follow up on the implementation of the Youth Employment Initiative, a proposal for a Council
recommendation on integration of the long-term unemployed, as well as measures to promote skills development.

NEW: Labour Mobility Package
Legislative / Nonlegislative. The package aims at supporting labour mobility and tackling abuse by means of better coordination of social security systems, the targeted review of the Posting of Workers Directive and an enhanced EURES.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)
- Information and consultation of workers [Consolidation of existing legislation]
- Occupational Health and Safety [evaluation of existing legislation]
- Part-Time Work and Fixed Term Work [evaluation of existing legislation]
- Employers’ information obligations [evaluation of existing legislation]

Social policy
Watching brief: simplification, review and evaluation of existing legislation (REFIT)
- Equal treatment in social security [evaluation of existing legislation]

Education, culture, youth and sport
Watching brief: simplification, review and evaluation of existing legislation (REFIT)
- Audiovisual Media Services Directive [evaluation of existing legislation]

Research and innovation
Directive on the dissemination of Earth observation satellite data for commercial purposes [If not agreed in six months: withdraw and replace by a new initiative]

Information society
NEW: Digital Single Market (DSM) Package
Legislative/ Nonlegislative. The aim is to ensure that consumers enjoy cross-border access to digital services, create a level-playing field for companies and create the conditions for a vibrant digital economy and society. The package will include, among other legislative proposals, the modernisation of copyright.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)
- Telecoms Package [evaluation of existing legislation]
- E-Privacy Directive [evaluation of existing legislation]
Commission for the Environment, Climate Change and Energy (ENVE)

Environment

Air quality: Proposal on the reduction of national emissions of certain atmospheric pollutants [to be modified as part of the legislative follow-up to the 2030 Energy and Climate Package]

Proposal for amending Directives on waste, packaging and packaging waste, landfill of waste, end-of-life vehicles, batteries and accumulators and waste batteries and accumulators, and on waste electrical and electronic equipment [to be replaced by new, more ambitious proposal by end 2015 to promote circular economy]

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Geological storage of carbon dioxide [evaluation of existing legislation]
- Reduction of CO2 emissions from light duty vehicles [evaluation of existing legislation]
- Ecolabel and Eco-Management and Audit Scheme (EMAS) Regulations [evaluation of existing legislation]
- Environmental Liability [evaluation of existing legislation]
- Infrastructure for Spatial Information in the European Community (INSPIRE) [evaluation of existing legislation]
- Environmental Noise [evaluation of existing legislation]
- European Pollutant Release and Transfer Register (E-PRTR) [evaluation of existing legislation]
- Volatile Organic Compounds emissions [evaluation of existing legislation]
- Strategic Environmental Assessment (SEA) Directive [evaluation of existing legislation]

Climate Action

NEW: Communication on the Road to Paris – multilateral response to climate change
Non-legislative. The objective is to outline the EU vision and expectations and explain partner ambition in the context of the 2015 Agreement and set out the EU contribution further to the European Council conclusions of 24 October 2014.

Energy

NEW: Strategic Framework for the Energy Union
Non-legislative/Legislative. The Strategy Framework will focus on: energy supply security; integration of national energy markets; reduction in European energy demand; decarbonising the energy mix and promoting research and innovation in
the energy field. It will include the revision of the EU Emissions Trading System as part of the legislative framework post-2020.

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Supply Agency of the European Atomic Energy Community [REFIT update]
- Promotion of renewable energy [evaluation of existing legislation]

Commission for Natural Resources (NAT)

Common Agricultural Policy and rural development

NEW: Review of the GMO decision-making process
Legislative. The review will look at how the rules could be changed to better ensure the majority view of Member States is taken into account

Aid scheme for the supply of fruit and vegetables, bananas and milk in the educational establishments [on hold]

Organic production and labelling of organic products [may be withdrawn]

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Beef labelling rules [evaluation of existing legislation]
- Specific measures for agriculture in the outermost regions of the Union (POSEI) [evaluation of existing legislation]
- Natura 2000 (Birds and Habitats Directives) [evaluation of existing legislation]
- Wild animals in zoos [evaluation of existing legislation]

Public health

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Drinking Water [evaluation of existing legislation]
- Food Law [fitness check]
- Trade diversion of certain key medicines [evaluation of existing legislation]

Maritime Affairs and Fisheries

Watching brief: simplification, review and evaluation of existing legislation (REFIT)

Fishing Authorisation Regulation [Recast of legislation]
Simplification of technical measures for the protection of marine organisms
Fisheries Control Regulation [evaluation of existing legislation]
Consumer policy
Watching brief: simplification, review and evaluation of existing legislation (REFIT)

- Time-share, long-term holiday products, resale and exchange contracts [evaluation of existing legislation]
- Legislative framework related to consumer rights and advertising [evaluation of existing legislation]
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