

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 15 March 2005

Session 2

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

5th Meeting 2005, Session 2

CONVENER

*Mr John Swinney (North Tayside) (SNP)

DEPUTY CONVENER

*Irene Oldfather (Cunninghame South) (Lab)

COMMITTEE MEMBERS

*Dennis Canavan (Falkirk West) (Ind)

*Mrs Margaret Ewing (Moray) (SNP)

*Phil Gallie (South of Scotland) (Con)

*Mr John Home Robertson (East Lothian) (Lab)

Gordon Jackson (Glasgow Govan) (Lab)

*Mr Alasdair Morrison (Western Isles) (Lab)

*Iain Smith (North East Fife) (LD)

COMMITTEE SUBSTITUTES

Ms Wendy Alexander (Paisley North) (Lab)

Murdo Fraser (Mid Scotland and Fife) (Con)

Richard Lochhead (North East Scotland) (SNP)

Nora Radcliffe (Gordon) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

John Edward (European Parliament)

Patricia Ferguson (Minister for Tourism, Culture and Sport)

Rachel Gwyon (Scottish Executive Finance and Central Services Department)

John Henderson (Scottish Executive Finance and Central Services Department)

Professor Drew Scott (University of Edinburgh)

CLERK TO THE COMMITTEE

Alasdair Rankin

ASSISTANT CLERKS

Nick Hawthorne

David Simpson

LOCATION

Committee Room 6

Scottish Parliament

European and External Relations Committee

Tuesday 15 March 2005

[THE CONVENER *opened the meeting at 14:01*]

G8 and Council of the European Union Presidencies Inquiry

The Convener (Mr John Swinney): Good afternoon. I open the fifth meeting in 2005 of the European and External Relations Committee of the Scottish Parliament. I welcome members to the committee. I have no apologies; I am sure that our colleagues will join us in due course.

The first item is the continuation of the committee's inquiry into Scotland's contribution to the G8 summit and the United Kingdom presidency of the Council of the European Union. Our first witness is Patricia Ferguson, the Minister for Tourism, Culture and Sport, who is accompanied by Scottish Executive officials.

This morning the Executive published its policy on international development. The policy paper was issued to members during the morning, so they will not have had a great deal of time to consider its contents.

I invite the minister to say a few words of introduction and explanation and to introduce her colleagues. We will then proceed to questions.

The Minister for Tourism, Culture and Sport (Patricia Ferguson): Thank you. My colleagues are Susan Lilley, who is from our international development branch; John Henderson, who is head of the international division; and Rachel Gwyon, who is working specifically on the G8 and Africa on our behalf.

As the convener said, the Executive's international development policy was unveiled today as part of a speech that the First Minister gave to the Commonwealth local government conference in Aberdeen. The strategy and the fund that we have linked to it have been discussed with stakeholders in the international development community as the strategy has developed. I welcome their engagement with us on those issues—I am aware that they have discussed some of them with the committee at previous meetings.

The strategy sets out that we believe that we must work together with the UK Government and that we have as a focus for our thinking the need to assist the delivery of the millennium

development goals. The strategy also makes it clear that, as a devolved Government, we can play a specific role in assisting Scottish organisations and experts to make best use of their skills, to respond to humanitarian emergencies and to assist longer-term development. Our international development fund will help to add value and make progress possible.

In addition to the provision of direct support that aims to improve outcomes to meet those development goals, we can and will do what we can to raise awareness of the issues and to consider the impact of our own devolved policies and how we work on international development. I agree with the stakeholders to whom the committee has spoken, who want the Executive to provide support for opportunities to discuss and raise awareness of issues around international development, particularly in the run-up to the G8 summit. As the First Minister announced this morning, a number of events will take place during the coming weeks and months. I hope that members have heard about the Scottish schools Africa challenge competition, which the First Minister launched and which gives every school in the country the opportunity to consider African development. The First Minister announced that he will visit Malawi at the end of May and we hope that the visit will give us a chance to build links with Malawi's leaders and to show how Scottish expertise can make a real difference on the ground. The Parliament sent a delegation to Africa as part of the Commonwealth Parliamentary Association visit. Margaret Ewing was part of the delegation and I read her article on the visit with great interest, as did the First Minister.

The Executive is organising a conference at which key interests will consider in detail the findings of the commission for Africa. We are also considering how to build links between the full range of interested and expert organisations that exist in Scotland. I welcome the opportunity for the Parliament to consider such issues in the run-up to the G8 summit.

The Executive aims to build and maintain links with a wide variety of stakeholders in all sectors as our strategy develops. It is important to put our contribution to the G8 discussions in that context, because we very much intend that our involvement in international development will not end when the G8 summit in Perthshire ends but will continue for as long as we can make a valuable contribution. We regard the G8 summit as part of what we are doing, although obviously in the coming months it will be the focus of our attention.

I hope that I have helped to put the policy and our work in context.

The Convener: Thank you. For the benefit of members who have just arrived, this morning the Government published its international development policy, a copy of which has been issued to members. We have had limited time in which to consider the document's contents; notwithstanding that, we will ask questions on the matter.

In relation to the United Kingdom policy context, paragraph 1.1 of the document justifies the involvement of the Executive in international development on the ground that such activity is considered to be

"assisting Ministers of the Crown in relation to foreign affairs".

I assume that that is a reference to the ambit of the Scotland Act 1998. What discussion took place with the UK Government about the formulation of the policy?

Patricia Ferguson: As you would imagine, there was quite a bit of discussion with the Department for International Development in London about our involvement in the matter, because thoughts and perhaps even worries had been expressed, not necessarily by us but by other commentators, about whether the Executive should go down such a route. The Executive was very much of the opinion that the matter was one in which we wanted to be involved and to which we could add value and make a contribution. Our conversations with DFID therefore began on that basis; we explored what we might do, how far we could go and how we might best complement what is happening UK-wide, given that we are still part of a devolved settlement. As I said, there has been a great deal of discussion among officials and ministers around the issues. The First Minister has taken a particular interest in the matter and has had regular communication with his colleagues in the south. We will continue to work with our UK colleagues and I and the Secretary of State for Scotland will meet non-governmental organisations in about a fortnight's time to take matters further.

The Convener: When did the dialogue start to go down that route?

Patricia Ferguson: I was not involved at the beginning, but I think that the process started last summer.

The Convener: You said that you and the Secretary of State for Scotland will take the matter forward. What locus has the Secretary of State for Scotland in that?

Patricia Ferguson: He talks to Scottish NGOs and other organisations to see what further assistance he can give, as our representative in the Cabinet at Westminster. We make him as

aware as possible of what we are doing and try to find out whether he can take further action that might complement our work.

The Convener: Have you invited the Secretary of State for International Development to be part of that dialogue into the bargain?

Patricia Ferguson: The Secretary of State for International Development is aware of what we are doing and is supportive of our actions.

The Convener: The part of the strategy that deals with fund allocation—which is on page 6 of the document that I have—states that there are

"two methods of allocating funding."

What is the difference between those two methods? That was not immediately obvious to me.

Patricia Ferguson: We are talking about direct funding, when NGOs or other organisations tell us about a particular project for which financial assistance might be of use, and support for organisations that might not be as direct as giving them money to allow them to do something—we might support them in other ways. That is what that section refers to.

The Convener: If I understand the matter correctly, some money will be paid directly as a result of grant applications from specified NGOs, following a tendering process.

Patricia Ferguson: Yes—there will be a bidding process.

The Convener: The other part of the fund will be allocated through the normal channel of public expenditure on public bodies. The example of health boards is given.

Patricia Ferguson: Yes. That part is not to fund bodies for what they do as part of their normal business, but to provide assistance to help them to contribute to the international development aspect of their work.

The Convener: So public bodies will identify projects that they may wish to support, but which are outside their general area of activity.

Patricia Ferguson: Yes, it could be that.

Dennis Canavan (Falkirk West) (Ind): Your international development policy identifies a range of stakeholders and a number of possible and existing projects whose work you would like to continue and expand. Among those, you mention international exchange programmes for teachers. People who are involved in such projects have expressed to some members the concern that Scottish teachers who participate in exchange programmes may lose superannuation rights. To encourage teacher exchange programmes with developing countries in Africa and Asia, could the

Executive ensure that teachers who participate in exchange schemes do not lose superannuation rights?

Patricia Ferguson: Your question has not been raised with me before, but I am happy to consider whether action on the matter is possible. Mr Henderson might have heard of the problem.

John Henderson (Scottish Executive Finance and Central Services Department): We are aware of a problem in that respect for teachers and health workers. There is a good deal of enthusiasm among teachers and health workers to assist in developing countries, which we are pleased about. However, there are superannuation issues, although the fund could help to cover some of the costs.

14:15

Dennis Canavan: Some NGOs—World Exchange springs to mind—send out young people who may be doing a gap year between school and university or within a university course. They are not qualified teachers, but they do a good job nevertheless, under difficult circumstances. We met some of those people on a recent visit to Africa. In the main, they teach English to African students in high school. They are not paid much—they get their board and keep and so on. However, a bit of leadership from senior and experienced teachers—possibly even head teachers or deputy head teachers—is sometimes required in those schools to encourage the educational system out there to develop itself, and a great number of qualified and experienced teachers will not be attracted unless there is a guarantee about their superannuation rights. I hope that you take what I say on board.

Patricia Ferguson: I entirely agree with what you say about the added value that properly qualified people can give and the contribution that they can make in such situations. I would be happy to look into the matter that you mention and to keep you informed about progress. We certainly do not intend that anyone who co-operates with us will be penalised in any way. I would be happy to consider the issue and to find out what we can do.

Dennis Canavan: Thank you.

Irene Oldfather (Cunninghame South) (Lab): I thank the minister for her interesting presentation. Her paper states that Scottish ministers intend to appoint an advisory group. Will that group be a long-term or short-term working group? Will you say a little more about it? Will it be involved with funds?

Patricia Ferguson: We want a group that can advise us. We have regularly met representatives of NGOs in order to get as much information as

we can from them about how best we can assist. That approach has proved fruitful so far, and we will maintain that dialogue regardless of anything else that we might do. However, we thought that it would be useful to have a group that would help to consider bids that we receive so that they are analysed and we can ensure that they will be effective and will add value to on-going work or, where there are new projects, that such projects will work in the suggested context. I think that the group will continue for as long as we are involved with such work. That is not to say that the same individuals would necessarily always be involved. Obviously, people tend not to work in the same field for their entire working lives nowadays, but we hope that there will be continuity. However, we cannot necessarily prescribe that at this stage.

Irene Oldfather: The paper states:

“The group will comprise between 6 and 8 individuals”.

Why did you decide to invite a representative from the cross-party international development group of the Scottish Parliament? Are you also considering writing to members of the European and External Relations Committee?

Patricia Ferguson: We want to involve the Parliament in what we are doing in some way, and I know that the Presiding Officer has taken a keen interest in such issues for many years. The cross-party international development group of the Scottish Parliament is up and running and has developed expertise in the area in question, so it seemed the right forum from which to ask for someone to come forward and be involved.

You may have read that focusing on fair trade and the possibility of Scotland becoming a fair trade country is another plank of what we hope to do. To facilitate that work and to progress the project, I understand that the First Minister has written to all the party leaders in the Parliament to ask them to nominate a member of their party to work with me and officials. However, that is not set in tablets of stone. If the committee has a real interest in and concern about being involved, organising its involvement would not be too difficult. My one caveat is that we obviously do not want the group to be so big that it is unable to move as quickly as we would like it to.

Irene Oldfather: There have been a number of welcome developments in the area. Those developments have evolved quite recently over the past year—perhaps they have escalated in the past six months, or in the three months since the tsunami disaster, which focused everyone's minds on what people in Scotland can do. The pace of change is quickening. Perhaps you could consider whether the European and External Relations Committee could be the interface between the Executive and NGOs.

Patricia Ferguson: I am happy to do that. We are conscious that the cross-party international development group has been working in the areas that you mention and has developed expertise over a few years; therefore it seemed the natural place to go. However, I am happy to listen to representations from the committee, if that is the direction in which it would like to go.

Irene Oldfather: I have one more point. My constituency hosts the Malawi consular office. As the minister is aware, and as is noted in our papers, there is a strong partnership between Scotland and Malawi. Will that be one of the priority areas, or are we not identifying priorities in a geographic sense?

Patricia Ferguson: We have tried to develop thematic and geographic priorities, because we are conscious that we are a relatively small country and, given our budget, we do not want to spread our efforts too thinly. We are looking at sub-Saharan Africa generally, and at issues around education, health, HIV/AIDS and tuberculosis. In any case, Scotland has strong links with Malawi and, to begin with at least, it makes sense to concentrate some of our effort there so that we can get the greatest effect as quickly as possible, but also so that we can add value to the work that is already going on there, where appropriate. Malawi will be a priority for us to begin with, but I am sure that other areas will increase in importance as time goes on.

Irene Oldfather: Mr Canavan will be pleased to hear that.

Mrs Margaret Ewing (Moray) (SNP): Following on from Irene Oldfather's point, South Africa does not appear to rank as an important priority in terms of Scotland's international trade. In 2002-03 there were 16 trade missions from the UK to South Africa and another 16 are in the pipeline, but there has been virtually no interest from Scotland. Can the Scottish Executive stimulate organisations' interest in participating in trade missions, because a good two-way exchange could be developed?

Patricia Ferguson: I do not claim to know much about that, because it is not my area, but I am happy to speak to the Minister for Enterprise and Lifelong Learning about it to see whether anything can be done. I have heard comments like Margaret Ewing's before, but it sometimes transpires that Scottish companies have been part of UK missions. However, I am happy to speak to Mr Wallace and to get back to Mrs Ewing.

Mrs Ewing: Those of us who visited Africa had the opportunity to visit three legislatures. Although the Scottish Parliament is younger than them, their stage of development is far behind ours. One issue that was consistently raised with us was that they do not have what we would broadly call a civil

service. For example, a clerk in one Parliament was servicing five committees. Looking at the faces of the clerks here, I do not think that they would fancy that much. On the other hand, aspects of the Scottish Parliament's practice have been picked up by, for example, the Eastern Cape, whose petitions system is based on ours. How simple would it be for Scottish Executive ministers to examine the possibility of exchanges at that level to develop skills, so that people from there can come here and spend time with us and vice versa? How would that be processed by the Executive?

Patricia Ferguson: That is probably an area that we will want to explore as time goes on. You are probably aware that when we were trying to assist during the tsunami crisis, one of the interesting things that we were able to do was to second a member of our civil service to Sri Lanka relatively quickly. In that situation, a number of fortunate things came together. Not only had the individual already been seconded to an aid agency prior to the tsunami, which gave her an understanding of the kind of work that the aid agencies needed to do and were doing, but she was Sri Lankan herself, understood the Sri Lankan culture and therefore was well placed to go to Sri Lanka relatively quickly and help to advise on what was needed. We will have a continuing dialogue with and through her about what further assistance that part of the world might require as time goes on.

We are anxious to consider such exchanges where they would make an impact. If I remember correctly, the Parliament has done similar things on a relatively small scale. It is important that we choose the right people to go and that they receive the right training and background information before they go. We are trying to assist and add value, so the last thing that we need is for someone to go somewhere and, through no ill will on their part and perhaps even against their best efforts, turn into a liability. Such exchanges are worth exploring, both from the Executive's and from the Parliament's point of view.

Mr Alasdair Morrison (Western Isles) (Lab): Margaret Ewing raised the issue of adding value to legislatures that are older than ours but which lag behind in their development. The minister made an important point about adding value and ensuring that we do not retrace the steps that have already been taken. As the UK Government is, I presume, involved in such initiatives, I am concerned that we do not do something that is already happening through the British civil service, of which the Scottish civil service is obviously a part.

Patricia Ferguson: That is a concern, but we would work closely with DFID to ensure that we

did not do that. As I understand it, the commission for Africa has recommended that partnerships should be formed between legislatures to facilitate such work. That is something that we would be interested in considering in future.

The Convener: Is an approach being proposed that will, in effect, do what the commission for Africa has suggested by establishing partnership arrangements between Scotland and a defined part of sub-Saharan Africa, where the focus of the policy appears to be most concentrated? Will you establish a partnership agreement that, for example, involves Scottish resources being invested in development projects in a particular sub-Saharan country?

Patricia Ferguson: I do not know that we would necessarily want to engage in something quite that prescriptive, but if that would work and if it was what a host country or region wanted to do, we would certainly consider it. I do not know whether there has been any internal discussion about that.

John Henderson: The point that the commission for Africa makes is a general point on capacity building in Africa. If Africa is to benefit from increased aid, that is one of the issues that need to be addressed, and one of the ways in which we can help to build capacity is to establish links between Parliaments. The commission does not say that links have to be with the Scottish Parliament, of course, because Parliaments in developed countries in general have much to offer. As the minister said, it is open for consideration whether that is a matter on which we would want to work with the Parliament.

The Convener: Is there a difference in approach between the report of the commission for Africa and the Executive's policy, which seems to have a clear focus on sub-Saharan Africa and, in the short term, areas that were affected by the Asian tsunami. There seems to be a more geographical approach to assistance, rather than a thematic one. Where does the priority lie?

Patricia Ferguson: The approach is both geographical and thematic, because we want to focus on the areas in which we, as a devolved Government, can make a helpful intervention—for example, on education or health. I think that that answers your question.

14:30

The Convener: Okay. We may come back to that in due course.

Mr John Home Robertson (East Lothian) (Lab): Like my colleagues, I have not had a chance to read the Executive's international development policy document properly, but it looks helpful and encouraging. My personal experience

in the field has been with Edinburgh Direct Aid in conflict zones such as Sarajevo and Kosovo. I recall that there was a lot of good will and energy to be harnessed, but that there were difficulties with co-ordinating the work, in terms of fundraising, getting appropriate material to take, getting there, finding one's way around and getting through all the bureaucracy. The Executive could probably help a lot in those areas. I recall that some health boards rushed to make surplus equipment available, whereas others were uneasy because they were not sure whether the rules allowed for that. If the strategy will make it easier for the whole range of agencies to respond to such needs, that will be helpful. I take it that that is what the Executive has in mind.

Patricia Ferguson: In part, yes, but a key part of what we are trying to do is to build capacity within the NGOs. Often, the NGOs are already working on the ground in the countries where there are problems and difficulties and we want to assist them in building their capacity. We also want to consider opportunities such as the one that you outline. I do not think that we would want to be the body that is responsible for organising what happens, but that is not to say that we would not help to facilitate such operations where they are required. We would have to consider that in the context of everything else that we are trying to do.

The policy is very much about building the capacity of the NGOs so that they can respond appropriately. In the case of the Asian tsunami, for example, we were conscious that, because of its scale, a number of organisations were faced with the dilemma of whether to take people off existing projects and programmes to work on the tsunami relief. We did not want that to happen and nor did they. One of the things that we did to assist them during that period was to second people who could focus on the tsunami relief so that work could continue on existing projects and programmes. Sometimes our assistance can be of that nature, but on other occasions it might be more direct, as you suggest.

Mr Home Robertson: You can certainly help to reduce the confusion factor that tends to arise when a crisis of that nature takes place, because you have experienced people who know whom to talk to and where the materials are and who can help with training.

On a separate issue, without wishing to crawl too much, I cannot think of a more appropriate minister to take the lead on the issue, but I am not sure how comfortably the area of responsibility sits under the heading of tourism, culture and sport. Has any thought been given to adjusting your ministerial title to take account of this rather important development of your role?

Patricia Ferguson: I think that that is a matter for consideration by someone else. All that I can say is that I am delighted to have the responsibility as part of what I do. I have a long-standing personal interest in the area and I am pleased that it has come to me. I intend to work hard to make the policy a success, as far as it is possible to make such work successful.

Mr Home Robertson: We might send a copy of the *Official Report* of this meeting to Bute House.

The Convener: We are sending quite a few things there these days.

Phil Gallie (South of Scotland) (Con): One of the key principles of the international development policy is

“facilitating transfer of Scottish knowledge, skills and expertise to where they are needed most in the world”.

I suggest that that principle is full of merit and I commend it. However, we are also supportive of the fresh talent initiative, which could be seen as trying to retain in Scotland the very people who are needed most in the developing world. How do the two policies measure up?

Patricia Ferguson: From day one of the fresh talent initiative, we have been at pains to say that we do not intend to take people whose skills and talents can best be used in the nations from which they come. We recognise, however, that both historically and in the present people often come here to train and to get expertise and we are pleased to be able to assist in that way. Nonetheless, the best place for those people to use those skills and expertise is often their home countries. The fresh talent initiative is a separate and very different programme. I sincerely hope that the two situations will not conflict and we will work to ensure that they do not.

Phil Gallie: I accept that, but people from developing countries come to our universities. Would it not be seen as somewhat discriminatory if we were to say, “Yes, we will take people from eastern Europe and other places, but we won’t take them from those countries”?

Patricia Ferguson: I hope that we would never be placed in the position where we would have to say those kinds of things to anyone, but I do not honestly think that that is what the fresh talent initiative is about. As far as the developing world—if we can call it that—is concerned, we want to assist the work that those countries do and not stand in their way in any way, shape or form.

Phil Gallie: On a slightly different tack, how does the £3 million that you highlighted in the Scottish budget compare with what is available from the UK Government, to which we are part contributors? Is the Scottish Executive intent on persuading the UK Government to increase the

amount of cash that it lays aside for third-world countries in particular? If so, has consideration been given to the effect of that on any future Scottish budgets, given the existence of the Barnett formula?

Patricia Ferguson: Those are big and complicated questions and I am not sure that I know the answers to them all. I am being reminded by my officials that the DFID budget for 2003-04 was £3,965 million, which was an increase of 19 per cent on the previous year. The UK Government is committed to increasing the amount of money that it spends in that way over the foreseeable period. That is to be welcomed. The funds that we have set aside are not intended to compete, compare or contrast with what the UK as a whole is doing on behalf of us all; they are simply a contribution that we feel we can make within our devolved responsibilities. In effect, we hope that the money that we put forward is indicative of our willingness to be part of what is important work. Much of what we will use that money for will be to add value to work that is already going on—we hope that it will complement work that is happening elsewhere.

The Convener: I return to the point about specific programmes that are being developed by the Executive under the policy. What influence will be exercised by the Executive on formulating the type of programmes that will be supported primarily in sub-Saharan Africa?

Patricia Ferguson: That will work in two ways. One will be through the requests that we have from organisations to respond to their projects or programmes. That is where our expert advisory group will come in, because it will look at those requests in line with the criteria that we set. There might also be specific projects that we wish to associate the Executive with over time. I have already mentioned the importance that we attach to developing educational links and encouraging the spread of educational opportunities to people in sub-Saharan Africa, as well as the work that we think needs to be prioritised around HIV and AIDS.

I know that the First Minister is looking forward to hearing from those colleagues who were part of the parliamentary delegation to Malawi about their experiences, which he might use to influence the visit that he will make there in May. We see the policy as taking two distinct directions.

The Convener: I will deal with those two routes one by one. How will the specific projects that the Executive decides to pursue be identified?

Patricia Ferguson: Would Rachel Gwyon like to cover that issue, as she has been dealing with it?

Rachel Gwyon (Scottish Executive Finance and Central Services Department): There are a couple of strands. We are hearing from a number

of organisations about work that they have already been doing that fits in not only with the themes relating to skills exchange, skills enhancement, health and education, but with the geographical themes. In particular, we are being told about how outcomes can be achieved that meet the millennium development goals. The overall focus must be to help countries in Africa to meet those goals.

I am working closely with my colleague John Henderson, so that we have a dialogue about how projects that have been identified—ones that are looking to grow or to start around May or later this year—fit with the criteria that are being established. Some of those projects might enable us to test the criteria and to see how they fit with the wider fund. We will also be able to learn from the expert group and from work that others are already doing in Africa.

It is not only NGOs that are talking to us; health boards and philanthropists are also talking to us. Each sector has told us that Scotland has a huge amount of expertise, which has not been fully identified and utilised, even in our own home interests. Through the process of identifying projects, we can talk to people in different sectors and share knowledge between, for example, universities, NGOs, the business sector and the philanthropy sectors. We can gain from the knowledge that is already in Scotland as we build the strategy and go forward.

The Convener: So the Executive is waiting to receive ideas from people in other organisations, be they public sector agencies or NGOs.

Rachel Gwyon: Yes, although it is not a matter of waiting. There is a huge amount of enthusiasm—both out there and inside the office—to find the different bits of expertise within Scotland. There has not been a slow start.

The Convener: I will now deal with the other range of projects to which the minister referred, in relation to which the expert group will consider applications. What is the mechanism for inviting applications?

John Henderson: I envisage that we will write shortly to NGOs and others in Scotland to set out what the policy is about and to invite them to come back to us, probably initially with a concept note—I do not want the whole sector to get involved in a huge bureaucratic paper chase and create mountains of paper when they have a lot more important work to do. We will look at the initial concepts to see which projects might go forward for further development. That is the way that we are likely to go in the bidding process. We give clear signals in the policy paper about what the geographic and thematic priorities of the Executive will be.

The Convener: What will be the timescale for that process?

John Henderson: I am not sure that I want to commit ourselves to one.

Patricia Ferguson: We will carry out the process as quickly as we can.

The Convener: Have you set a deadline?

Patricia Ferguson: The first thing was to get the international development policy established, as we have done. Tonight, we will host an event for the NGOs at which we will outline the policy to them. The next step will be to invite bids.

Dennis Canavan: May we have clarification of Ms Rachel Gwyon's position, convener? I am not sure whether she is an employee of the Scottish Executive, DFID, the Foreign and Commonwealth Office or the G8 secretariat.

Rachel Gwyon: I work for the Scottish Executive Finance and Central Services Department, alongside my colleague John Henderson, and for the minister.

The Convener: The answer to that question is, in short, that you are a civil servant.

I will ask about the detail of the process. You will invite applications relatively shortly. Can you give the committee an estimated timescale of when you may invite the applications to come back in and when we might begin to see the roll-out of the projects?

Patricia Ferguson: We have not as yet set up the advisory group but, once it is in place, we will invite bids. In fact, there is no need for the bids to wait for the group to be appointed—the two things can happen in tandem. It is certainly our intention to begin the process as soon as we can and to make the money start to work as soon as we can. I do not know whether John Henderson has given any close consideration to timescales.

14:45

John Henderson: No. It is important to bear in mind what the policy papers say. Not all the money will go through the bidding process. We are coming into the process at a point at which lots of things are happening—in Malawi, for example—that we can support. There are conferences coming up to raise awareness in Scotland and there is capacity building in the NGO community that is active in Scotland. Those things must happen before a bidding process takes place. Not everything will involve the bidding process, but we want to get the process started as soon as possible and then move on. I am sure that the sector wants that to happen as well.

Another level of activity is also taking place. For example, Lothian NHS Board is active in Zambia, there is a Malawi-Scotland partnership and the University of Strathclyde is involved in work in a maternity hospital in Malawi. There are things happening that we can support before and alongside a bidding process.

The Convener: What proportion of the resources do you anticipate will add value to those existing projects, rather than waiting for the bidding process?

Patricia Ferguson: The split that we have made is that the bidding process will involve 10 per cent of the money and 90 per cent will remain at the centre for the other work.

The Convener: So 90 per cent of the resources will be allocated through Scottish Executive decisions. Will the expert advisory group be responsible for those decisions?

Patricia Ferguson: No, I do not think that it will be. It is specifically responsible for the 10 per cent.

The Convener: The advisory group deals with the 10 per cent, but who takes the decisions on the remaining 90 per cent?

Patricia Ferguson: Scottish ministers.

Mrs Ewing: In a way, part of what I wanted to say has been covered. After the sifting process, how will the money that has been allocated be monitored? Who will have responsibility for monitoring to ensure that the Scottish Executive gets best value for money? We saw a lot of good practice in many areas under very difficult circumstances, but there seemed to be a lack of co-ordination in passing that best practice on.

Patricia Ferguson: Again, that is an area in which we are interested, because the issue has been raised with us. I hope that the committee does not get the idea that the process will be huge and involve lots of forms and over-the-top scrutiny. We need to ensure that the money will be well used and will support good initiatives, but we hope that we can simplify the process as much as possible—it is certainly our intention to do that. We also hope that we can build in a monitoring and evaluation process that will be robust but that will not create problems for the organisations that are in receipt of the money or for the projects where the money is being used. We have borne those matters in mind in designing what we are going to do.

The Convener: Is it practical for that regime to be in place before everything starts on 1 April 2005?

Patricia Ferguson: There is no start point; the work has begun. We are taking things forward just now, so we are not sticking to rigid dates. I

presume that you are talking about the budget allocation that has been made.

The Convener: Yes.

Patricia Ferguson: There is no requirement on us to begin to spend the money on 1 April. That is just the date on which, technically, the budget begins to kick in, but we obviously want to get the money into the field and doing the work as quickly as we can. That is the imperative to which we are working. We are trying to put in place systems that will work and will be robust but that will not be overly onerous on the organisations that might be looking to use them. We are trying to balance all of that at the moment, but with a view to getting the money working as quickly as we can.

Irene Oldfather: Will the moneys be spent over three years? Does the programme involve £1 million each year? What is the division of expenditure over the life of the project?

Patricia Ferguson: The expenditure is for the duration of the spending review programme, which is three years. It is £3 million per year during that period.

Irene Oldfather: So it is £9 million altogether.

Patricia Ferguson: The moneys will probably be spent over four years now, so the expenditure will be more like £12 million over that time. We started the work a year earlier than had been budgeted for.

Irene Oldfather: I notice that page 9 of the document states that

“in the first year, we will allocate a larger amount of funding to raising awareness”.

Does that relate to actual project spend or just to the first year's spend on raising awareness?

Patricia Ferguson: There are a few things that we need to do. We need to raise awareness in Scotland of the issues, the difficulties and the contribution that people and communities can make. We want to be part of raising awareness of the on-going problems in Africa. Most people in this room understood those problems, but we must still conduct an education exercise to allow everyone else to understand the problems and their importance. We want to spend some time, effort and money doing that. We are working on a programme of events that we hope to roll out very soon. In the first year, we hope that we will be able to contribute significantly by raising awareness. In our conversations, the NGOs have asked us to do that.

Irene Oldfather: Of the £3 million or £4 million, how much will be spent on raising awareness rather than on projects?

Patricia Ferguson: The spending on raising awareness will come out of the 90 per cent that I identified earlier. It is part of the large budget at the centre.

The Convener: If there is a budget of £3 million per annum and an allocation of 90 per cent for support for developing countries through NGOs, what proportion will be spent on awareness raising in this country and what proportion will be spent on project delivery in sub-Saharan countries?

Patricia Ferguson: We would not want to be rigid about that; we would want to respond to situations as they arose. It is possible that at the beginning a greater proportion will be spent on raising awareness than will be spent in subsequent years. We will want to balance and respond to need at the time. The point is not to set aside a specific amount or percentage of funding for raising awareness.

The Convener: I am not asking for a rigid amount. Do you have a feel for whether a third will be spent on raising awareness and two thirds will be spent on programme delivery? I have no doubt that there will be a great appetite in Scotland for specific programme expenditure, but there will be unease if the money is spent on non-programme expenditure, whose benefits for people in circumstances different from ours cannot be seen.

Patricia Ferguson: We envisage only a small percentage being spent on raising awareness. We are not planning to use a large proportion of the money on it. We will keep the numbers down for as long as we can.

The Convener: So spending on raising awareness is more likely to be around 20 per cent of the 90 per cent than it is to be more than that.

Patricia Ferguson: I think that it will be 10 per cent, at most.

The Convener: So 10 per cent will be spent on awareness raising and 80 per cent on programme expenditure.

Mr Home Robertson: I do not think that the minister said that.

Patricia Ferguson: I did not. I do not want to be rigid about the figures. However, we will keep the amount of money that is spent on non-project work to a minimum.

The Convener: There are no further questions on the international development policy.

As part of its inquiry, the committee is examining the wider issues associated with the G8 summit and the UK presidency of the European Union. Do you wish to raise with us any issues arising from the summit and the UK presidency that will have a wider impact on your tourism, culture and sport remit? Members may also have questions on that subject.

Patricia Ferguson: I was not aware that the committee intended to go down that track. However, in tourism there is a tremendous opportunity for Scotland as a result of the G8 summit. We will have the world leaders and representatives of some of the countries that we have discussed this afternoon in our country for a period. It is a clichéd phrase, but I genuinely believe that the eyes of the world will be on Scotland during that time. The summit represents an opportunity for Scotland to show the best of what it has to offer, so that it can reap the benefits in future. We are very conscious of that and VisitScotland is particularly conscious of it as the date of the summit draws nearer.

Phil Gallie: I know that we should not believe everything that we read in the press, but at the weekend it was suggested in some articles that the Foreign and Commonwealth Office in particular was keen to "de-tartanise" the G8. I would hate to think that that was the case. We all take pride in the fact that an international event, which the UK is hosting, will take place in Scotland. Are you aware of moves to de-tartanise the event?

Patricia Ferguson: No, I am certainly not aware of any such moves. The fact that the G8 will take place in Scotland presents a great opportunity for Scotland to showcase itself. Perhaps Rachel Gwyon wants to add something, because she has been dealing specifically with the G8.

Rachel Gwyon: Joint work is certainly going on with the Foreign and Commonwealth Office and with colleagues in the Scottish Executive Justice Department, who are leading the co-ordination with the police about arrangements, as well as with Perth and Kinross Council, VisitScotland and Scottish Enterprise, to consider the wide range of benefits that might accrue to Scotland and how approaches can be joined up. I have witnessed such meetings in action and can say that the FCO has worked closely, co-operatively and very openly with the range of interests that are involved.

Patricia Ferguson: The logo for the G8 is a stylised thistle, which is a signal that the event is not being de-tartanised in any way.

Phil Gallie: That is reassuring. As I said, I do not believe everything that I read in the press.

The Convener: I do not know how it is that Phil Gallie did not pick up on this, but the Deputy First Minister launched a G8 tartan just the other day.

Dennis Canavan: Was it pin-striped?

The Convener: I am thankful that the Deputy First Minister did us all a great service by not modelling a kilt in the tartan.

Has the Executive done any work to estimate the economic benefits that are likely to accrue from the G8 summit in the short, medium and long terms?

Patricia Ferguson: My view is that the G8 will be of most assistance to us in the longer term. We will not gain lots of money from tourists this year because of the G8, but I hope that people will see an image of Scotland that they find attractive, pick up information along the way and decide to come to Scotland in future. I am not sure that there will be a huge spin-off in tourism this year, but I am not sure whether more detailed economic forecasting has been done in the Executive.

John Henderson: Scottish Enterprise Tayside did some work on the matter. We might be able to provide the committee with more information about that.

I will echo what the minister said. Not just the world leaders but the world's media will come to Scotland. The media will be an important audience, which we will encourage VisitScotland and others to target in getting the message across about a modern, successful Scotland.

The Convener: What steps have been taken to ensure that the world's media are equipped with information about Scotland as a tourist destination?

John Henderson: There are two areas of attack. First, we must ensure that when the media arrive they have written material about Scotland in their press packs. That will happen. Secondly, we must ensure that journalists from key countries come to Scotland in the run-up to the G8, to build up a story about the country. Therefore, part of our strategy is to invite journalists to Scotland and show them aspects of the country, to ensure that there is a slow burn of stories about Scotland and that coverage is not focused just on a few days in July.

The Convener: Who will take the lead in making that happen?

John Henderson: The Executive will work with VisitScotland and others to do that.

The Convener: If there are no further questions, I thank the minister for coming. You will see the fruits of our work in due course.

14:59

Meeting suspended.

15:05

On resuming—

The Convener: I call the committee back to order. It is a pleasure for me to welcome, as our

second witness, Professor Drew Scott, the professor of European Union studies at the Europa institute of the University of Edinburgh. Professor Scott is no stranger to our committee and its proceedings. We have invited him to give evidence specifically on the UK presidency of the Council of the European Union. I invite him to say a few words of introduction and explanation before we begin our questions.

Professor Drew Scott (University of Edinburgh): It is a pleasure for me to speak to the committee today on this important subject. I have submitted a paper to the committee and I will say a few words by way of introduction. As you know, the UK presidency will kick off on 1 July and last for six months.

In my submission, I try to make the point that the role of the presidency is not to agitate on behalf of the member state but to manage the business of the European Union. Internally, that means ensuring that the business of the Council continues in its normal fashion; representing the Council at internal meetings, including conciliation with the European Parliament; and trying to broker consensus between member states in the Council when disagreement has arisen over specific policy initiatives. Externally, the member state that holds the presidency is the face of the Council for the six months for which it occupies that role. So, for example, when President Bush visited Brussels a couple of weeks ago, it was the Luxembourg Prime Minister who greeted him because Luxembourg currently holds the presidency of the Council. Beyond that, the member state that holds the presidency is required to hold bilateral talks with external trading partners and, where issues of foreign policy come within the overall remit of the EU, to try to broker some common position within the Council if the Council chooses to go down that route.

The presidency is constrained, in a sense, by its inherited portfolio and its role is not to animate specific matters of national interest. Indeed, the UK presidency of 1992 was criticised in some places for being more concerned with domestic issues than with managing the business of the union. The situation had changed somewhat by 1998, which was the last occasion on which the UK held the presidency. The presidency also has a troika system whereby the current, immediately preceding and successor president states co-ordinate the presidency in order to ensure that, when the portfolio is handed over, no sharp divisions or unexpected problems arise. It is a kind of shadowing process to try to make the business more manageable.

A broad statement on the UK presidency that will begin in July was issued last December by Luxembourg and the UK, which set out the broad

agenda that the two member states working together would try to address. There were no surprises in it—it was the on-going business of the union. However, inevitably, unexpected things will happen during a presidency, and the president state will have to respond to those unexpected issues. External problems may arise and internal difficulties may require mediation. For example, we are already involved in fairly controversial discussions about structural funds and the financial perspective. We also have problems with the Lisbon agenda and the constitutional treaty is an on-going matter that faces the British presidency. All those matters must be handled neutrally, which could pose difficulties, given the UK's view on some of them. Any presidency is diplomatically sensitive, but that is particularly true of the UK's presidency.

Scotland's devolved Administration has no formal role in the presidency, which is held by the UK. However, given the on-going interaction between the devolved Administrations and the UK Government on European Union matters that impinge on devolved affairs, it is logical to expect those discussions to develop during the presidency. To that extent, the on-going business of the European Union will require on-going input from the Scottish Executive and on-going activities by the Scottish Parliament.

Although the Scottish Parliament will have no formal role in the business of the presidency, several important meetings are expected to take place in Scotland, and they will offer opportunities for the devolved Administration and the Scottish Parliament to engage with other member states or sub-national legislatures in the European Union. Obviously, those opportunities exist day and daily, but they may or may not be taken up by the Executive or the Parliament. The meetings in Scotland between delegations from member states will provide important opportunities to build relationships between Scotland and, perhaps, smaller member states. The meetings will provide an opportunity for Scotland to engage in European discussions at the important member state level, and not through the normal UK route.

We will have an opportunity to push for the involvement of local stakeholders in the discussions. The Lisbon agenda is far reaching, but its failure lies in the delivery of its objectives. Part of that failure is a failure to deliver the Lisbon strategy beneath the level of national Governments. In general, the strategy has not come down stream from national capitals—it certainly has not come down stream from London. We will also have an opportunity to have discussions with the country that will occupy the presidency after the UK, which is Austria—a highly federalised country with which Scotland already has close relations at sub-state level. That will

provide opportunities to discuss matters of common interest.

There will be opportunities in a diplomatic sense but, formally, the presidency will remain with the UK Government. The extent to which the devolved Administration and the Scottish Parliament access the process will depend on the attitude of the parties. At this stage, there is limited scope to influence the agenda for the presidency, because the agenda was considered some time ago and the UK Government has been preparing for it for a number of years, with increasing urgency as the time has approached. To think about influencing the agenda is the wrong way to approach the matter; it is better to think about participating in the presidency and contributing to making it a success.

It is ironic that large countries tend to have more difficulty in making a success of presidencies than small countries have. One possible reason for that is that small countries must rely much more on European Union resources to make their presidency a success. The UK does not have to rely on those resources; arguably, it has one of the best civil services in the European Union and is capable of delivering a successful presidency, if the political winds are favourable. In 1992, when the political winds were perhaps not so favourable, there were difficulties, although they were overcome, at least to a degree, in 1998. A smooth and successful presidency is anticipated, but significant difficulties will confront the UK presidency in the second half of this year.

Dennis Canavan: I thank Professor Scott for his paper, which I found interesting although—if I may say so—a bit negative. You suggest that the UK Government has no great vision or grand strategy for the presidency. Your submission states:

“to talk about ‘influencing’ the Presidency is almost certainly misguided in an EU of 25 Member States.”

It also states:

“The scope for the Scottish Executive or Scottish Parliament to influence the UK Presidency ... in any meaningful sense is, at best, limited.”

Your submission draws a distinction between “influencing” and “participating in”. However, I do not understand that, because you say that there is no formal role in the presidency for the devolved Administrations. Can you suggest specific examples of how devolved Administrations such as the Scottish Executive could participate in, as distinct from influence, the presidency? What is the point of participating if we can have no influence?

15:15

Professor Scott: The two questions are related. In response to your first question, the extent to

which any sub-state, or indeed member state, can fundamentally influence the agenda of the presidency is limited. The agenda is inherited. Most issues that the UK presidency will deal with were set out in the December paper. In a sense, that paper simply follows on from the strategic decisions that have been taken at Council meetings and summits of heads of state. For many years now, issues such as the Lisbon strategy, competitiveness and justice and home affairs have dominated the agenda, as the European Union has tried to wrestle with those issues to achieve particular outcomes. To suggest that we could somehow get on to the UK agenda a major issue of topicality that has not been part of the European Union's on-going process of decision making is to misinterpret the role of the presidency. We cannot expect to get on to the presidency agenda a major issue that has not been trawled for a number of years beforehand.

The state holding the presidency can prioritise particular issues. For example, the Prime Minister has stated that the UK Government will prioritise two issues—Africa and the Kyoto environment treaty—which will also inform discussion during this year when the UK holds the chair of the G8. The state holding the presidency can nuance the agenda. However, to suggest that we can influence the agenda of the presidency so that a Scottish interest is reflected in the larger scale of the European Union is to misinterpret the role of the presidency. For sure, the state holding the presidency has a certain latitude in prioritising issues, but it can hardly innovate policy at this stage. In a European Union of six countries, France or Germany could perhaps expect to run the agenda and achieve a consensus. However, in a union of 25 countries, the business of the presidency is probably more routine than ever before because one cannot expect consensus and one does not want disagreement. The job of the presidency is not to provoke disagreement but to encourage consensus and to broker agreements between member states that have differing views. That is the deal-making role of the presidency.

By virtue of that, the scope for local participation and for sub-state authorities, such as the Executive or the Parliament, to muscle in and to become part of the presidency is limited. The presidency is an opportunity for Scotland to show its diplomatic skills. It presents the Executive with an opportunity to facilitate efficiently and effectively the many important meetings that will be held in Scotland. Undoubtedly, the Executive will be involved in facilitating those meetings and in ensuring that the system works from our side. In my view, that presents an opportunity for contacts to be made and for discussions to be engaged in while Scotland is the focus of activity. In that sense, there is an opportunity for the Parliament

and the other stakeholders who are involved to generate other activities around the presidency by advancing particular arguments on issues such as social policy or the environment. Given that Austria will hold the presidency next, it strikes me that the Scottish Parliament and devolved Administration might have opportunities to engage with Austria in discussions about issues of common concern to try to influence agendas in the longer term.

Although the comments in my paper are perhaps crude, they are designed to limit expectations that this Parliament can influence at this stage a presidency that has been prepared for over many years. If the Parliament wants to influence the agenda, it must influence the UK Government, because Scotland cannot put items on the agenda. That takes the question back to the relationship between the Administration in Scotland and its counterpart in London—that is, between the Scottish Parliament and Executive and the UK Parliament and Government.

The Convener: You mentioned that the Prime Minister has prioritised climate change and Africa. To what extent can he influence the agenda to pursue his objectives?

Professor Scott: The UK Government can facilitate meetings on climate change issues. The problem is that those are global issues, although the European Union is a major global player in pollution. The Prime Minister can prioritise in the presidency's activities issues that relate to Africa and to the environment and the Kyoto treaty.

Difficulties arise because the European Union's relationship with America is already problematic. The British presidency may have more diplomatic problems than other presidencies would, because of the fractured relationship between the majority of the European Union and the USA over Iraq. That is also true in relation to the Kyoto treaty, in which the Americans have not participated. Difficulties are present, but through speeches and statements, the Prime Minister can push Africa and climate change forward in the European context.

Phil Gallie: Your paper refers to political activity in the UK—to a possible general election—and to continued discussion between the presidencies of Luxembourg, the UK and Austria. If political change resulted from the general election, would the agreements between Luxembourg, the UK and Austria change?

Professor Scott: I highlighted the election—I do not know when it will take place—because the Government is behaving as if an election were going to happen. It is keeping its options open. One protocol means that we cannot expect any Government to make statements about what it will

do on some issues because it may be a hostage to fortune. Another complication is the constitutional treaty referendum, which we expect under the current political winds to be held late in 2006.

The other protocol that the Government will not breach is the more broadly based European protocol that the president state will not issue priorities until the end of the current presidency, because the current presidency may not meet its timetable. For example, according to the current presidency, we expect the financial perspective debate to be closed at the June summit that ends the Luxembourg presidency. I have no crystal ball, but that looks optimistic, if not unlikely.

If political change took place in the meantime, one would expect precious little change to the presidency. The presidency's task is not to promote domestic political issues but to manage an inherited set of portfolios, so we would expect little difference. The attitude might be different. I cannot help but observe that when Tony Blair became Prime Minister, he made it clear that his policy would be one of constructive engagement. That was designed to signal to the European Union that diplomacy was back on the agenda and that give and take were back in the British way of doing things. He consolidated that statement by signing up immediately to the social protocol, which the preceding Conservative Government had avoided.

I would expect little change in the continuing ability of the civil service in Britain and of ministers of whatever political colour to discharge the presidency obligations timeously and efficiently. At the margin, priorities might be different. As I said, the Prime Minister has made it clear that he would use the presidency as a platform to promote the ideas of Africa and of climate change. However, in the context of European Community law or prospective legislation, he cannot take over the presidency and table a legislative proposal on Africa or anything else. That is the job of the Commission which, in an EU context, can wear an environmental hat and an African hat. However, the Prime Minister can only persuade his colleagues elsewhere that, as heads of state, they should singly, collectively, internationally and through the EU prioritise those matters.

Phil Gallie: One continuing theme of recent EU presidencies has been the move towards the European constitutional treaty. Is it not the case that if the UK Government changed—that is just as valid a hypothesis as suggesting that there will be no change—there might be an early referendum on the constitution, the result of which might totally change the direction of the presidency?

Professor Scott: One of the complications of the current phases of the presidencies is that over

the next two years referendums will be held in one member state or another. For example, we cannot discount the possibility that, at the end of May, France might reject the constitutional treaty. There are no two ways about it: such a result would result in an inescapable crisis for the union.

The UK Government might have the good fortune to avoid having to deal with such a crisis during its presidency. However, although its position on this matter appears to be settled, the will of the British people is not, so it will still have a difficult hand to play. Any president state—no matter whether it is the UK or Austria—will find it difficult to deal with the political ramifications of a country rejecting the treaty in a referendum. It will be a crisis for the union, not for the member state.

Irene Oldfather: Professor Scott, it is nice to have you back at the committee.

You are right not to raise our expectations unduly on this matter and to make us realise that some things will be achievable and some will not. That said, you are coming at this issue from a constitutional perspective and I want to repeat on record that the presidency provides opportunities in Scotland for sectoral meetings, networking, possible region to region and region to member state links, and awareness raising of EU issues in the domestic setting. How have other regions—for example, the Italian regions—handled those opportunities when their country had the presidency? I am sure that you have had a look at the meetings that are coming to Scotland. Are we doing as well as other regions have done in that respect?

Professor Scott: I am afraid that I have no experience of how other regions have handled the presidency. That said, I agree whole-heartedly that it represents an opportunity for participating in events and engaging in general diplomacy. The ultimate question is, what is Scotland's role in influencing the UK Government, which directly influences EU policy? At the moment, there is very little information in the UK about that. I am aware from discussions with civil servants that the joint ministerial committee on Europe has more or less superseded the Cabinet's European policy committee as a way of making UK policy on Europe. That might change if things change in Northern Ireland. However, the joint ministerial committee, which is chaired by the Foreign Secretary and involves the First Ministers and Deputy First Ministers of the devolved Administrations, has met frequently to discuss the UK's EU policy and has become important in influencing Britain's position on and attitudes towards particular legislative proposals and broader-based policy. The Cabinet committee has retained an EU strategy group, which is chaired by the Prime Minister and sets the overall strategy for the budget and other major political matters.

If we in Scotland want to influence discussions in Brussels, the most obvious route is through the UK Government, notwithstanding the other secondary routes such as the Committee of the Regions, the Economic and Social Committee and the kind of informal networks—the group of regions with legislative power, for example—in which we participate. However, the hard reality is that if Scotland wants to raise its voice in Europe, it has to raise it via the national capital.

My concern as an academic is that the discussions with the UK Government are not heard—we simply do not know what they are. The reason for that is that the UK Government makes much of the need to maintain a single negotiating line when it goes to Brussels, because fractured lines or fragmented countries are easy targets for opponents. That is the ostensible reason for the degree of non-publication of deliberations. However, there is limited—though not insignificant—scope to influence what happens during the presidency, as opposed to being involved in the presidency events in Scotland, some of which are important.

15:30

Irene Oldfather: I appreciate what you say about an inherited agenda. Are you saying that the right way to progress would be for the Scottish Executive to pick one or two points on the inherited agenda that we feel strongly about—such as common agricultural policy reform, health or tobacco subsidies—and to work on them within the UK? During the last French presidency, I think that I am right in saying that maritime safety around some of France's southern ports was a big issue, and the French Government worked vociferously to take forward directives on that matter. Will there be opportunities for the Executive working in partnership with the UK Government to promote one or two priority areas of interest in Scotland?

Professor Scott: First, that may be happening but, as I said, we have no way of knowing what the Executive is taking forward with the UK Government. Secondly, if it was possible to do what you suggest, the time to do it was probably two years ago rather than today. I intend no disrespect, but you are discussing the UK presidency three months before it comes into office. The opportunity might have been taken already, and it may be that the UK Government will ensure that certain matters are taken to the table with more rigour and enthusiasm than otherwise would have been the case, but none of us has any way of knowing that. However, if there was a time to systematically fashion a Scottish position on a particular theme, it has long since gone, because I suspect that the lead time for

getting an item on to a serious agenda is a lot longer than the time that is left.

Phil Gallie: In response to Irene Oldfather's first question, you suggested that any input from the Scottish Parliament or Executive has to go through the UK Government. Will the European constitution change that situation, if we sign up to it?

Professor Scott: First, the constitution will not affect the interaction with the presidency but, from Scotland's perspective, it is significant that it will make the acquisition of competences by the European Union more difficult. That is important, because Governments are like football managers, in that they come and go, but football teams and Parliaments stay for ever.

Mr Home Robertson: If only.

Professor Scott: The impact of the European Union legislating in an area does not undermine a Government; it undermines a legislature. Were the constitutional treaty to become law, it would make it more difficult for the European Union to acquire competences.

The second hugely important feature of the constitutional treaty for Scotland—there are a number, but this is the obvious one—is subsidiarity dialogue, which is taken to a fundamentally new level in the treaty. It does not give legal rights to sub-national legislatures but, for the first time, it introduces a high degree of expectation that sub-national legislatures will be closely involved in the formulation of EU policy via national Parliaments and national Governments in areas that touch on their competences.

Irene Oldfather: Just to follow through the logic of what you said in response to Mr Gallie, once the constitution is approved, is it the case that we will have a much greater opportunity to influence future agendas than we do at present?

Professor Scott: Definitely. Not only will we have a greater opportunity to influence the agenda, we will have the opportunity to influence the legislative proposals that appear before member state Governments. The expectation is that they will be seen and the comments on them heard.

The Convener: Margaret, do you want to come in?

Mrs Ewing: My point has been picked up.

Mr Home Robertson: We might be able to influence the agenda, but of course we cannot necessarily determine the outcome. I vividly recall sitting at an agriculture council under a Belgian presidency some time ago. Along with the Commission, the president state was in a situation in which it realised which way the qualified

majority was going, so it stitched up a compromise and got its majority. The junior Belgian minister, for whom a civil servant was sitting in—the discussions were going on in the middle of the night, so no one noticed—said that it was all an outrageous sell-out and voted against it. That was absurd, but such situations can arise. That could be a big problem when a large member state has the presidency.

Can you think of any serious pitfalls or minefields for the UK Government in the coming presidency? There must be a fairly broad consensus on Africa and climate change, but we should not raise expectations too high about the extent to which the presidency can railroad the outcome of council meetings.

Professor Scott: I would not want to be quoted as suggesting that the presidency can railroad anything. The role of the presidency is to broker consensus and to achieve an outcome that makes the EU work. The difficulty for any country that holds the presidency is that it wears two hats—that of defending the national interest and that of making the system work. Whether good or bad, it has to work.

You made a point about qualified majority voting at council meetings, which falls within the treaty. As all member states have signed up to the treaty, they know that they run the risk of being outvoted in the council. In my view, the treaty makes a fundamental difference in that if one third or more of national Parliaments object to a particular legislative proposal on the ground that it violates subsidiarity, that puts a lot of pressure on the Commission to do something about it. The Commission does not have to do anything about it, but if it were to ignore one third of countries—the proportion that is in the treaty and which is therefore implicitly recognised as constituting a significant minority—it might be the case that if an irritated Government referred the matter to the European Court of Justice, which it would be perfectly entitled to do, the court would look much more sympathetically on subsidiarity as a ground for striking down the piece of legislation in question than it has done in the past. The court has never looked on such a case sympathetically because its view has been that if 11 out of 12, or 24 out of 25, Governments support a proposal, it is not for it to say that the one Government that has complained is in the right. The court may find that such a nuclear option makes the Commission much more enthusiastic about ensuring that it has a consensus position before it produces a legislative proposal. It is clear that the Commission has become more enthusiastic about that.

Unexpected things will happen during the British presidency. Some of them may be easy to deal with. There is nothing in the current portfolio that is

fundamentally problematic other than the financial perspective and the structural funds, which are closely linked. There is broad consensus on the Lisbon agenda, although there is a lack of knowledge about how to make it work. There is broad consensus on a range of the portfolios—including that of the seventh framework programme—that the UK Government will have to manage during its presidency.

Difficulties may arise if unexpected things happen externally that mean that the fragmented relationship between the UK and the rest of Europe over foreign policy, for example, returns to the fore. In that event, questions about the UK Government's credibility, such as those that were raised in relation to Iraq, may come back to haunt it. There is no question but that there are banana skins out there. I have considered how the process will be managed and I do not think that there is any reason to expect a crisis, albeit that, in politics, the unexpected is always to be expected.

The Convener: I return to your comments about climate change and the African agenda. Do you think the Prime Minister has oversold what can be achieved?

Professor Scott: The ambitions are enormous. We should remember that the European Union has a rigorous policy of trade and aid, providing technical assistance and marketing advice—we now have free trade with all the African, Caribbean and Pacific countries. There has been a long-standing effort to energise economic development in Africa. Right now, the average European Union member state pays less than 0.3 per cent of its gross domestic product in external development assistance, but the United Nations set a target of 0.7 per cent in the early 1970s. Norway, which is not in the European Union, and Denmark are closest to achieving that. In Denmark, almost 1 per cent of GDP goes on development assistance to third-world countries. That assistance extends beyond Africa, but Africa takes the lion's share. The urgency with which the Prime Minister is addressing the issue is well placed. We need ambition to push it on to the agenda and to demonstrate the severity of the problem. The status quo is not acceptable to the Prime Minister and most other people.

Iain Smith (North East Fife) (LD): As a new boy on the committee, I particularly appreciate your helpful paper and presentation. You have referred to the financial perspectives and structural funds being linked. There is a slight divergence between the interests of the UK Government and those of Scotland regarding regional development support. If, as seems likely, the discussion drifts into the UK presidency, will that give opportunities to Scotland? If the UK Government has to broker an agreement, it may be less fixed on its national

position in the Council, which may give Scotland an opportunity to work with some of the other nations that are focused more on structural funds than on cutting the budget.

Professor Scott: We are straying into politics, in which I am reluctant to get too involved.

The Convener: I will allow you to be the judge of what you should say in response to the question.

Iain Smith: I am not suggesting that Professor Scott make a judgment on whether the approach is right—I ask merely whether opportunities will arise as a result of the UK presidency.

Professor Scott: From the discussion so far, two things seem to be clear. First, if the UK Government's line is ultimately successful in the European Union—I doubt that it will be—structural funds in the UK, including Scotland, will more or less cease. The UK Government has made it clear that, rightly, it sees the cohesion countries and new accession states—the eight central and eastern European countries that joined the EU last May—as the priority. If that line were to prevail, there is little question but that structural funds in Scotland and the UK as a whole would end.

The second point follows on from the first. In the situation that I just described, what would happen to regional economic policy in Scotland? That is a matter for the Executive. The Government has made it clear that Scotland will not lose part of the Scottish block grant as a result of losing money from structural funds. That is true for reasons to do with public financing of the block grant. However, hypothecation of money as it is presently hypothecated under structural funds would be lost. In other words, the Highlands and Islands would not be entitled—as it is under European Union regulations—to an inflow of economic development support from the Executive in Edinburgh. At the moment, it is entitled to that funding because the UK has signed a contract with Brussels that says that it will devote £X to the Highlands and Islands under objective 1 structural funds.

It is wholly within the gift of the Scottish Executive to say at this minute that it will guarantee that the same amount of money goes to the Highlands and Islands under a scheme that is identical to the one that used to emanate from Brussels. That would prevent the Highlands and Islands from losing what many people argue—rightly, in my view—is badly needed economic development support, but the Executive has made no such commitment. One wonders what will happen to the assignment of economic development support in Scotland should structural funds disappear.

I am not being party political, but the difficulty for any politician is that the UK Government line is to

reduce the size of the EU budget, which will reduce the net contribution that any member state makes to the budget. Significant amounts of money that presently flow from national capitals to the EU budget will be diminished, which means that, notionally at least, there will be more money to spend at home or with which to cut taxes. That raises the issue of individuals' views of the statement that the European Union has made in the treaty to the effect that it supports cohesion, and the inability of the union to deliver cohesion because the resources that are made available to it are inadequate to meet the challenges of cohesion that it confronts. I do not mean only cohesion in the central and eastern European countries, albeit that GDP levels per capita there—which are below the average to a degree that we have never previously experienced—are far and away the dominant cohesion issue. We should be clear about the question that we are asking.

I have a footnote to add. If the European Union starts to roll back its commitment to cohesion, should we simply abandon the economic and social cohesion rhetoric that appears in the treaty? Is the treaty being changed by the back door? It probably is, because there is no point in committing to economic and social cohesion, which has been done since the 1986 Single European Act amendments, but then simply saying that such commitments will not be financed. If that happened, it would discredit an already troubled union.

15:45

The Convener: If issues relating to the financial framework are not resolved by 30 June this year, are they likely to be resolved during the UK presidency?

Professor Scott: That is a difficult question. Agreement was reached on the previous financial perspective in Berlin in March 1999, in the final year of the budget. The Berlin settlement was obviously a political settlement: everybody who wanted money got some and could go home and say, "We've got our money." In my experience in Europe at least, politicians will not take difficult decisions until and unless they are forced to do so. The British presidency might not have to confront the problem that you mention, but it is conceivable that it will. I have no way of looking into the future.

The differences between what the Community proposes and what is wanted by the six countries—the five countries plus Britain—that want a diminution of the budget seem to be significant, and the implications for the policies that the budget finances are dramatic. The European Union says, oddly, "Here's the money—now divide it up", rather than, "Here are the policies that we want to finance. What will they

cost?" Inevitably, most treasury departments will take the middle road, as no treasury will simply give carte blanche to a spending department, but there is a debate about how the moral and treaty-based commitments and obligations can be financed on the basis of a reduction in the financial envelope that is available to the European Union until 2013.

The Convener: From our discussions in Europe in the past couple of weeks, everybody seems to be absolutely preoccupied by the financial framework. If issues are not resolved by 30 June, the suggestion is that the financial framework will continue to dominate discussions for the remainder of the year. The ability to pursue priorities or the opportunity to pursue objectives to do with Africa or climate change will therefore become secondary to resolving an issue that threatens the European Union's ability properly to exercise its functions.

Professor Scott: What I am going to say is anecdotal or informal. Anybody who goes often to Brussels knows that the British voice is periodically not heard because the British position is seen to be anti-communitaire, which diminishes the UK's influence as one of the key players in the European Union. That is not a value judgment—it is merely an observation, but I am sure that officials and people who go to Brussels on informal trips will tell the same story.

If the budget is not resolved during the presidency in the second half of this year, the UK will find it extremely difficult to walk on two legs. On the one hand, it will say that it is there to broker consensus on the budget, but on the other hand it will say that it is implacably opposed to a compromise that goes above the 1 per cent figure, which is its position. I am not sure how even the most sophisticated official would square that circle.

If the UK is seen to be championing national interests, the question would then arise whether that would affect its influence elsewhere. I do not know, but logic or common sense and my experience of the British voice periodically going quieter suggest that its influence will wane over issues such as Africa and climate change, which it wants to be championed globally. That should not impinge on the UK's role in managing the shop—that is, ensuring that other issues that are unrelated to climate change and Africa are dealt with—but it would be difficult to ensure that. There are no two ways about it.

The Convener: As there are no further questions, I thank Professor Scott for appearing before the committee and for his lively presentation of his evidence. We look forward to seeing him again.

Our final witness today is John Edward, who is head of the European Parliament office in

Scotland. He was to appear in a panel along with Kenneth Munro, chairman of the Scottish council of the European Movement but, due to family circumstances, Kenneth has unfortunately given us his apologies.

John Edward has submitted a paper, which has been circulated to members. I invite Mr Edward to introduce himself and to make some opening remarks.

John Edward (European Parliament): I am one of those animals who are happy to confess that they are particularly excited to have the opportunity to speak in the Scottish Parliament building and to the European and External Relations Committee.

I spoke this morning to the European Movement, which passes on Ken Munro's apologies for not being here for acute reasons. I will say a word about what the European Movement was thinking of saying. It has had contact with various councils—Perth and Kinross Council, the City of Edinburgh Council and Glasgow City Council—on civic events in relation to the presidency. It is pursuing those activities and is keen to have an event with the Executive, if the Executive is interested. It is also focusing on youth, because it operates the Scottish European Educational Trust and because the world youth congress will take place in Stirling as part of the presidency.

I should make it clear that I am here not on behalf of our seven MEPs—they speak more than well enough for themselves—but on behalf of the European Parliament services. We think that every time the presidency comes to the UK provides a perfect opportunity to increase public awareness, which is our office's core job. However, it is difficult to do that for a particular presidency, because the member state's role in chairing meetings is invisible, in that citizens cannot tune in and watch on television.

Our interparliamentary work with the Scottish Parliament and other legislatures is especially important in respect of what we would like to do during the presidency to raise awareness. Any time now, our delegation on regional policy will be taking off from Brussels. It is coming here as part of the UK presidency, as will another delegation from the Committee on Industry, Research and Energy later in the year.

The European Parliament office in Scotland was established only in 1999—the time of the previous UK presidency—so this is its first opportunity to capitalise on the presidency. It is another perfect opportunity to remind people of the down-to-earth elements of policy making—who is involved, what levels are involved and what stages are involved in formulating and deciding EU policy—and to provide clear and objective information not only on

the processes, about which we can talk at great length, but on the results.

In the initial call for evidence, Scotland's role in Europe was mentioned. In that regard, we highlight not only MEPs' role as directly elected members, but the role of Scottish voters, who voted last year and therefore had an impact on the direction of EU legislation.

I will talk about the three themes. Climate change in individual legislative areas is obviously an important area and one in which this Parliament is competent. It has been important since the good old days of the large combustion plants directive and other such matters. It has been important not in relation to treaties, such as the Kyoto treaty, but in relation to the legislation that implements the measures that such treaties promote. The Scottish Parliament is becoming more interested and more strongly involved in Africa and international development and the Africa, Caribbean, Pacific and EU joint parliamentary assembly's congress will take place towards the end of the year. We are keen that the meeting be held in the UK, but the venue has not yet been decided. The committee's papers mention the follow-up to the intergovernmental conference and I also draw members' attention to the report on the constitution that the Parliament agreed in January.

There is a great opportunity to talk about how the EU operates day to day; we can talk about who is involved, rather than rehearse the arguments for and against or about what is good or bad. My colleagues in education services at Holyrood perform a similar function. We are keen to work with many other people on that, as we do on many other activities. We did that during the European elections last year, we did it in an awareness-raising capacity and we have done it with colleagues and the commissioner in relation to enlargement.

We are particularly keen to work with the Scottish Parliament. For example, there could be a permanent display in Holyrood about what the six months of the presidency will mean for Scots. We can work with Parliament on events, external liaison and visits by MEPs or delegations, as well as in relation to the work of the European and External Relations Committee and other parliamentary committees. We are trying to stress that the EU has a presence in Scotland on the ground and to ensure that people have an understanding of their role within that.

The Convener: I will begin by raising a wider issue about the European Parliament than its office in Scotland. To what extent can Parliament engage in trying to influence the agenda of an individual presidency? What procedural mechanisms or opportunities exist for

parliamentarians to express preferences about the direction the presidency should take?

John Edward: The most obvious and direct opportunity is presented when the presidency, usually in the person of the head of Government or the foreign minister, presents its priorities to the European Parliament in Strasbourg at the beginning of the presidency, as the Prime Minister of Luxembourg did in January. A representative of the British Government will do that either in the mini plenary in Brussels in late June or in Strasbourg in early July. That is the point at which the debate takes place at formal level. However, as people look ahead at forthcoming presidencies, they might want to ensure that certain issues are placed higher up the agenda, because they think that those issues will get a fairer wind from a certain presidency. However, the formal debate at the beginning of each presidency gives parliamentarians the chance to address ministers directly.

The Convener: Drew Scott said that, in effect, unless someone has decided two years in advance what to lobby about, there is no point in their bothering. Is Parliament engaged in forward lobbying, or are components of Parliament—such as committees—or other organisations involved in pre-emptive lobbying to try to change the direction of the Commission? You described a format that seems to present a fait accompli: the presidency turns up and says, "This is what we're going to do"; parliamentarians say what they think and that might be the end of it.

John Edward: Obviously any presidency is composed of a series of proposed legislation that the presidency is keen to progress. Many pieces of proposed legislation will be going through the European Parliament at a given time, so in that respect it is always pushing its priorities through committees, rapporteurs or whatever. The emphasis might change during the course of a presidency because of the Council or the European Parliament not agreeing as proposals are passed back and forth. That process goes on all the time; proposed legislation is introduced but is not necessarily much affected by the six-month wave pattern of presidencies.

The Convener: How influential is that wave pattern? Does it change the direction of the Commission?

John Edward: Are you asking about the Parliament's impact?

The Convener: If a new presidency is the subject of parliamentary pressure or scrutiny, can the direction of the Commission change?

John Edward: Certainly—that is the purpose of the formal relationship between a presidency and the Parliament: the Council and the presidency

exist to listen to the directly elected European Parliament. It would be difficult months down the line to assess the impact of that process on legislation. Much negotiation about the presidency's relationship with the Parliament goes on before a presidency begins. That is already happening in the current context. I was in Strasbourg last week and the Foreign Secretary was there already talking about some of the UK's priorities.

16:00

Mr Home Robertson: You mentioned that the presidency will be setting out its stall in the European Parliament; indeed, I recall that every six months the Scottish Parliament tends to have a visit from the ambassador for the country that has the presidency. Will there be any opportunity to highlight the fact that there have been constitutional changes in Britain? In the context of the presidency presentation to the European Parliament, has Parliament or the Scottish Executive made any kind of a bid to set out its stall?

John Edward: Not that I am aware of—I would not be party to that. However, you can rest assured that the seven Scottish MEPs are already talking among themselves about how to make the most of the presidency as a showcase. They will be coming at the matter from their different directions, but they have the advantage of being called MEPs for Scotland, rather than MEPs for the United Kingdom who happen to be elected in Scotland. That geographical tag gives them an opportunity to brand themselves during the presidency. I know that they are taking that on at the moment.

Phil Gallie: Under the heading "UK Presidency" in your submission you state that

"the Scottish and European Parliaments can highlight the direct responsibility their elected members have in EU affairs."

Having listened to Professor Scott, would it be fair to say that the Scottish Parliament has no direct responsibility in EU affairs?

John Edward: If I understood what Professor Scott was saying, it was with regard to influencing the agenda of the individual presidency at the time. What the submission talks about is the chance to raise awareness in Scotland of the role that the European Parliament and MEPs have year to year and month to month in forming and passing European legislation. The presidency gives us an opportunity to showcase that. If the presidency system stays as it is, that opportunity will not come round again until 2017. We are keen to remind people what the Council presidency means and to take the chance to say, "This is

what the Council is doing, this is what the Commission is doing, this is what the European Parliament is doing and this is what the devolved Administrations are doing." What we are doing is not aimed specifically at the content of the presidency but at bringing UK management of the EU home and reminding people what it means for them.

Phil Gallie: It sounds as if it is a bit too late for us now. We should have been doing that over a longer period. However, looking to the future, we will to a degree lose that national input when we have an elected permanent European president. What will be the Scottish Parliament's input then? How will we be able to affect directly the elected president's position on issues?

John Edward: As a civil servant, I will not stray into what the UK or Scotland's influence might be. However, under the constitution, although the format of the presidency might change, the fact that the European Parliament, Westminster and Holyrood have day-to-day responsibility for EU legislation will not—that will continue. In fact, as the committee has proved with its links with other committees throughout Europe, the element of early warning and pre-legislative scrutiny that is already happening will, in theory, be more important under the proposed constitution. Therefore, the committee is probably enhancing its ability—

Phil Gallie: Given the discretion of the national Governments, why is there any change?

John Edward: As a civil servant, I am not necessarily suggesting that there is any political change; I am just saying that, as our report about the constitution said, there is potentially greater transparency simply because bodies such as the Scottish Parliament can be involved at that stage. Whether that happens is up to the Scottish Parliament and the member state Governments, but it is a fact that, aside from the rhythm of the presidency, the legislative process continues whatever happens. The role that national assemblies and regional sub-national assemblies will have in influencing the process is entirely up to them.

Iain Smith: As you rightly say, the presidency gives an obvious opportunity to promote what the European Parliament, the Council and the Commission are doing in Scotland, so that people are made more aware of exactly how the EU operates. Conversely, it could be argued that the presidency gives Scotland an opportunity to promote to Europe the existence of the Scottish Parliament and the Scottish Executive and how we fit into the situation, so that we can ensure that Scotland's influence in Europe increases under future presidencies.

John Edward: Yes. On the political side, I know that the Executive and the Parliament have already discussed that. Indeed, the fact that before too long the Parliament will have somebody permanently on the ground in Brussels will also make a difference. As I mentioned, the seven MEPs are considering having some kind of permanent, physical presence in Brussels where Scotland could be talked about, which might involve taking exhibition space in the European Parliament building in Brussels or elsewhere and holding events around that, as we did in Scotland week in 1999, at the start of devolution. At the moment, activity is focused on trying to do something on the ground to remind MEPs and other people who pass through the institutions and Scotland House about the changes that have taken place.

The Convener: Could more be done in that respect? What you described seems rather modest, however welcome exhibition space is. Surely we want to factor Scotland into an opportunity such as this.

John Edward: As Drew Scott pointed out, the opportunities to do anything in the six-month period are relatively limited because of the huge administrative load of co-ordinating the presidency and the fact that one of the months is August, in which very little happens at all. The presidency also coincides with the lead-up to some important events in December like the council meeting and the World Trade Organisation events that are happening elsewhere.

That is why we want to stress raising public awareness here. In Brussels, only a limited amount can be done from one presidency to the next. However, within the member state, the presidency provides a great opportunity for us all to talk more about people's awareness of and involvement in the process, which we all agree are important issues. We have a few ideas of our own, and I hope that there will be a couple of events in the course of the six months, but we are keen to embrace the suggestions of others and to work with them.

Irene Oldfather: Notwithstanding what Professor Scott said about the importance of managing the business efficiently, which all of us would agree will be a priority for the UK presidency, do you have a feel for whether the range of sectoral meetings that have been identified as coming to Scotland during the presidency is reasonable or whether we could do more in that respect? Do you have any basis on which to make a comparison with how previous presidencies involved other regional legislatures?

John Edward: No; we have not examined that. My personal experience of some of the presidencies of other big member states is that

they have been less regional, if you will excuse the word, than those of the UK have been—in previous UK presidencies, final summits have taken place in Cardiff and Edinburgh, for example. I do not have any empirical evidence of that, but members can consider the geographic and sectoral spread of events that will take place during the UK's presidency. Some of them might appear terribly dry, but the technical activities that will happen and the bilaterals that will take place across Scotland and elsewhere in the UK remind us that the presidency is not just about getting people—whether they are wearing G8 tartan or not—to stand in a photograph at the end of the event, but is about the whole series of business events that will happen over the presidency. I do not mean big business; I mean the business of running the institutions and events involving customs officers, fishery patrol people or whoever. However, I do not have a score sheet to mark us against other member states.

Irene Oldfather: I sense that there is an enthusiasm for bringing meetings to Scotland. In the Committee of the Regions, there is real openness to bringing our commission for economic and social policy—ECOS—to Scotland. Is the feeling the same in the European Parliament?

John Edward: Absolutely. As I suggested, there is one large event that we are keen to attract to Scotland if we can. As the clerks know, we have put together a small working group, as we did for enlargement, involving us, our colleagues in the Commission, the Executive and the Scottish Parliament, to ensure that we do not duplicate events during the six months, that we make the most of people who are coming over, and that we get out to as many different people as possible. As with our work on enlargement, so far that work has been encouraging. It usually is. Speaking as a former Scotland Europa employee, I can say that it is genuinely a far easier job to get people enthused about such things here than some of my colleagues find it to be elsewhere.

Mrs Ewing: You mentioned earlier the situation with regard to the ACP-EU congress. By coincidence, we bumped into John Corrie when we visited the European Parliament two weeks ago. Is there any indication that the congress is likely to come to Scotland? There seemed to be some dubiety around the costing of the proposal, certainly from the point of view of the capital that would be involved. Has anything been done by the Executive or various organisations to try to encourage that delegation to hold its assembly in Scotland? That would tie in nicely with everything else that will happen in Scotland later this year. It happened once before, in Inverness, but because of the current Eden Court situation, it could not go there.

John Edward: I cannot say too much about the situation, as the delegation is still looking for a venue and deciding whether to bring its assembly to the United Kingdom at all. The reasoning will always be based on cost and whether we can do it within the budget of the ACP delegation of the European Parliament. However, the discussions that we have had with potential venues, the Parliament and the Executive have been helpful and encouraging. That message has gone back through individual MEPs to the delegation, and we await events. If the delegation does not hold its assembly in Scotland, it will not be for want of trying.

Mrs Ewing: Have you approached the Aviemore conference centre?

John Edward: A general call has gone out to everywhere that might be big enough. We are talking about 600 to 650 people—

Mrs Ewing: The conference centre could do it.

John Edward: Absolutely. There are several places here and in England and Wales that could host the assembly; it is simply a case of whether it would be practicable given the cost of living in the UK, of getting people here and of translation services and everything else.

The Convener: Thank you very much for appearing before the committee today. We appreciate your evidence and will reflect on it in the course of our inquiry.

Pre and post-council Scrutiny

16:12

The Convener: Item 2 is the pre and post-council scrutiny paper. There are several points listed. Does any member have any points to raise on either the pre-council agendas or the post-council reports?

Phil Gallie: I have a couple of observations to make. I wonder whether, in relation to the report on the mid-term review of the Lisbon strategy—

The Convener: Is that on page 4 of the paper?

Phil Gallie: That is correct. I wonder whether the Scottish Executive has made any representations to the national Government on that. The report has pretty important implications and it would be worth while to pick up on it.

The Convener: I will ask the clerks to contact the Executive to establish whether any such representations have been made.

Phil Gallie: My second point is on items 3(b) and 3(d) of the environment council agenda, which concern environment policy reviews. Last week, the clerk kindly obtained for me a couple of documents that addressed issues of climate change. Those documents made absolutely clear the massive change that would come about from accepting some of the presumptions that have been made on issues such as employment—for example, the requirement for people to change jobs and industries, which comes under a section on sectoral impact. All those items add up to the reason why the Lisbon agenda is not succeeding as it should. I recommend that individual members read the papers, as there is some good information in them.

The Convener: There is a broader question. The committee has considered its lines of inquiry for the period ahead, but there is a tremendous amount in the Lisbon agenda that has domestic policy implications that the committee might want to consider at a future stage. That will be a matter for us to decide.

I draw members' attention to the pre-council information on the agriculture and fisheries council, which took place yesterday. The agenda was not available, but the fisheries control agency was thought to be on the agenda and the clerks provided us with a paper that gives an update on where that issue has gone after the intervention of Elspeth Attwooll.

16:15

Mrs Ewing: I am sure that I read a newspaper report today saying that it had been approved.

The Convener: I did not spot anything this morning.

Irene Oldfather: I wanted to say something about the very same meeting. There will presumably be a report from the meeting, but I note that the section of the paper on agriculture shows that there was to be a discussion on the proposed new rural development regulation and notes that there is an important dossier for Scotland. Given the emphasis that is placed on the issue in the pre-council paper, I thought that it might be worth while to draw the conclusions of yesterday's discussion to the attention of the Environment and Rural Development Committee.

I also notice that the agenda for the same meeting was thought to include the regulation on financing the common agricultural policy. You will recall that, when we were in Brussels, there was a great deal of discussion about whether the envelope was closed or still open. It would be helpful to know what the conclusions of the discussions yesterday were.

Finally, I notice that there was to be some discussion of the revised avian influenza directive. That would be of interest to the Health Committee, so perhaps we should get information on what happened yesterday and pass that to the relevant committee too.

The Convener: I will ask the clerks to pursue that, but I would like this committee to receive directly a report on the rural development regulation and the financing of the CAP. The latter is a major component of the debate on finance, which we need to be abreast of, and the rural development regulation will have a significant impact on a variety of other domestic legislation. The avian flu issue is one that we can refer to the Health Committee.

Phil Gallie: Can we move forward to ECOFIN—the economic and financial affairs council?

The Convener: Certainly.

Phil Gallie: I have a query about tax changes. Page 18 of the document states under the heading "Exemption from climate-change levy - United Kingdom":

"The Council agreed to exempt the United Kingdom from the climate-change levy for low-value solid fuel until the end of 2009."

Can anybody advise me on what kind of low-value solid fuel we are talking about?

The Convener: We will have to get a briefing on that. I do not carry that degree of detail on my person.

Mr Home Robertson: It could be peat.

The Convener: We will ask the clerks to get us that information.

Phil Gallie: Once again, I remind members of my concerns about the likely imposition in 2008 of direct EU taxation on aviation fuel and the effect that that would have on low-cost carriers.

The Convener: We will get that information and supply it to the committee.

Irene Oldfather: I want to raise another point about something that is mentioned on page 11 of the paper, in the post-council report of the general affairs and external relations council, under the heading "Future financing 2007-13". I know that, in the discussion that took place, the UK Government made its position on the present Commission proposals for 2007-13 clear, and I note that the report refers to the proposals as being "unrealistic and unacceptable". However, it goes on to note that the increase

"can be met within a budget of 1 per cent EU gross national income."

Reflecting on our discussions in Brussels, I recall that there was considerable debate around whether the 1 per cent was about payments or commitments. Would it be possible to write to the Executive to find out whether there is an agreed position on that, given that the figure of 1 per cent is mentioned again?

The Convener: Do you mean an agreed position on payments?

Irene Oldfather: On whether the reference to 1 per cent refers to actual payments or to commitments, because that would be—

The Convener: Material.

Irene Oldfather: That is the word that I was looking for.

The Convener: We can write to ask about that. I will be interested in the reply that comes back. The debate will either run and run or it will be over before the letter comes back.

Iain Smith: I think that it will run and run.

The Convener: I suspect that that is more likely.

Convener's Report

16:20

The Convener: Item 3 is my report. First, a report from the external liaison unit and the clerk to the Parliament, on the various inward and outward visits that have taken place, has been circulated to the committee as a courtesy. Are there any points on the report?

Mrs Ewing: I do not know how we could have found ourselves in the places we are listed as having visited on Sunday 13 February. We were just in Gauteng and the Eastern Cape.

The Convener: My goodness.

Mr Home Robertson: Do you want to go back?

Mrs Ewing: I would love to go back—especially when you come back to temperatures of -6°C.

The Convener: Members will note that the conclusions of our inquiry into the promotion of Scotland were conveyed to the British-Irish Inter-Parliamentary Body by my good self on Monday 7 March after a long journey to deepest Donegal; however, the discussion was pleasant.

Secondly, I remind members that there is an event involving the European Parliament's Committee on Regional Development here tonight, to which all members have been invited. The clerks have details if anyone wants to attend.

Thirdly, we have received a follow-up response from Ross Finnie on the waste electrical and electronic equipment directive—WEEE for short, which says it all. We will have no suggestions from Mr Gallie about what might be in the wind on that one.

Phil Gallie: It is too late.

The Convener: The reply has gone to the Environment and Rural Development Committee, but it has been passed to us for noting. Are there any points?

Iain Smith: I am just glad that the clerks spelled out what WEEE stands for.

The Convener: Or it would have been a source of great intrigue.

Mr Home Robertson: The big point is that the directive has not been transposed into law in Britain. Is there any risk of the Executive being open to infraction proceedings?

The Convener: I am sure that Mr Finnie will have thought carefully about that before taking such a courageous or reckless decision, however one wants to describe it.

Mr Home Robertson: I am not sure that it is down to him. One of our duties is to keep an eye

on transposition. If the UK Government or the Scottish Executive has not implemented legislation, we could be in difficulty.

The Convener: We will ask Ross Finnie to reply to those concerns.

Phil Gallie: We usually find that, of all the European nations, the UK is the one that implements regulations ahead of others. We have a good track record under different Governments. In my view and in the view of others, if anything there is a tendency for the UK to gold plate. I wonder what the cost would be to industry of implementing the directive. How much consideration has been given to that? Are we considering best-value solutions? That all ties back to the Lisbon agenda, and how competitive we can be and how our economy stands. The directive looks to be complicated and costly.

The Convener: The letter from Ross Finnie represents suspended animation. The minister does not say that he will not transpose the directive; he simply says that he is examining the implications of doing so. We will ask him for an update. This might be an interesting example of how the Government intends to approach better regulation, of which the directive represents a substantial example.

Phil Gallie: Will you throw in the cost question as well?

The Convener: Of course. We will ask the minister to reply.

Irene Oldfather: It is worthy of note that the minister states in his letter that he is undertaking significant consultation with the industry and others. That is important, because I am aware of the concerns of businesses in my area about the directive. It is better that we get it right than that we do it too quickly.

The Convener: Clearly, the sense of the letter is that the minister has not careered into transposing the directive.

The committee next meets on Tuesday 22 March, when we will hear two chunks of evidence from Tom McCabe, the Minister for Finance and Public Service Reform: he will give evidence first in our inquiry on the presidencies of the G8 and the Council of the European Union and secondly on the European Union Bill, on which the committee has to consider a Sewel motion. The paperwork for all that will be issued on Thursday, so that members have time to read the substantial amount of documentation. We will also take evidence by video link from Hilary Benn, the Secretary of State for International Development, as part of our inquiry.

Meeting closed at 16:25.

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