

# **EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**

Tuesday 27 September 2005

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2005.

Applications for reproduction should be made in writing to the Licensing Division,  
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ  
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate  
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

---

# CONTENTS

Tuesday 27 September 2005

	<b>Col.</b>
<b>INTERESTS</b> .....	1433
<b>CONVENER</b> .....	1434
<b>ITEMS IN PRIVATE</b> .....	1435
<b>PRE AND POST-COUNCIL SCRUTINY</b> .....	1438
<b>SIFT</b> .....	1440
<b>CONVENER'S REPORT</b> .....	1441
<b>WORK PROGRAMME</b> .....	1445

---

## EUROPEAN AND EXTERNAL RELATIONS COMMITTEE 14<sup>th</sup> Meeting 2005, Session 2

### CONVENER

\*Linda Fabiani (Central Scotland) (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)

\*Karen Gillon (Clydesdale) (Lab)

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

\*Gordon Jackson (Glasgow Govan) (Lab)

\*Mr Jim Wallace (Orkney) (LD)

### COMMITTEE SUBSTITUTES

Ms Wendy Alexander (Paisley North) (Lab)

\*Derek Brownlee (South of Scotland) (Con)

Richard Lochhead (North East Scotland) (SNP)

Nora Radcliffe (Gordon) (LD)

\*attended

### CLERK TO THE COMMITTEE

Alasdair Rankin

### ASSISTANT CLERKS

Nick Hawthorne

David Simpson

### LOCATION

Committee Room 5



## Scottish Parliament

## Convener

### European and External Relations Committee

*Tuesday 27 September 2005*

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

### Interests

**The Deputy Convener (Irene Oldfather):** Good afternoon, colleagues. I welcome you to the 14<sup>th</sup> meeting this year of the European and External Relations Committee. I was going to say that I had received apologies from Mr Gallie, as I know that he has to go to the Edinburgh Tram (Line One) Bill Committee, but I appreciate the fact that he has been able to come along, if only for a few minutes. Gordon Jackson is on his way, but he will be a little bit late.

Our first item is a declaration of interests. I welcome in particular Linda Fabiani. Mr Gallie, I understand that Mr Brownlee will replace you at the meeting. Is that correct?

**Phil Gallie (South of Scotland) (Con):** Yes, he will arrive in due course.

**The Deputy Convener:** And he just has. As is usual in these circumstances, I will invite members to declare whether they feel that they have any interests that are relevant to the work of the committee. Since Mr Brownlee has just arrived, I will start with Linda Fabiani.

**Linda Fabiani (Central Scotland) (SNP):** I am a trustee of Just World Partners, which is an international development non-governmental organisation. It has over the years been in receipt of European funding.

**The Deputy Convener:** Thank you very much. Welcome to the committee, Mr Brownlee. I understand that you will be substituting for Mr Gallie this afternoon. Since it is your first meeting, can I ask you to declare any relevant interests?

**Derek Brownlee (South of Scotland) (Con):** I do not believe that I have any interests to declare.

14:02

**The Deputy Convener:** We move to the next item: the selection of a new convener for the committee. The Parliamentary Bureau has agreed that the convener of the European and External Relations Committee will be a Scottish National Party nominee. I understand that that nominee is Linda Fabiani. Does the committee agree with that nomination?

**Members indicated agreement.**

*Linda Fabiani was chosen as convener.*

**The Deputy Convener:** That draws my duties as convener of the committee for the day to a conclusion. I welcome Linda to the committee and look forward to working in partnership with her. I invite her to take over the chair.

**The Convener (Linda Fabiani):** Thank you very much, Irene, and thank you, committee members. I had a horrible feeling that somebody was going to raise an objection. Fortunately, no one did—not even John Home Robertson.

**Mr John Home Robertson (East Lothian) (Lab):** Aha, all right then.

**The Convener:** I should explain that for many years I had to suffer John as convener of the Holyrood progress group. There may be payback in the months ahead.

**Irene Oldfather (Cunninghame South) (Lab):** I am sure that that will not be the case.

## Items in Private

14:03

**The Convener:** My first task as convener is to ask members whether they wish to consider items 7 and 8 in private. Item 7 is the consideration of options for the future work programme, as discussed at the away day and back here, item 8 is the first draft of the committee's report on the Executive's fresh talent initiative.

Do members agree?

**Phil Gallie:** No. Welcome to the chair, convener. I can tell you that this is a great committee to be on. I am just sorry that I cannot spend more time on it today.

I agree entirely with item 8 going into private session, as that is in line with what we have done in the past with draft reports. However, I feel that the work programme should not go into private session. We had a useful, positive discussion at the away day. The issues are known to all the committee members. I do not see why, given Jim Wallace's ideals about freedom of information, we should conceal debate on that issue.

I would have said that whether or not I was to be present for the later stages. However, from a purely personal viewpoint, I would find it very helpful to read the *Official Report* to find out the reasons for determining which subjects were taken forward and/or rejected.

I make a plea to the committee: I see no harm in debating item 7 in public. I ask the committee to support me in that.

**The Convener:** I understand that you have your substitute in Mr Brownlee; perhaps he will pass on information to you if the committee decides to hold item 7 in private.

**Dennis Canavan (Falkirk West) (Ind):** I tend to agree with Phil Gallie—I hope that he is not utterly shocked by that. In the interests of openness and transparency, I feel that there are sound arguments for what Phil proposes. I see no argument against it. I take it that the papers that have been submitted to committee members, which outline the various suggestions for our future work programme that cropped up during our away day, are available under the Freedom of Information (Scotland) Act 2002. I do not see why our subsequent discussion on our future work programme should not be on the record.

**The Convener:** For the record, those papers are not available at the moment, but they may well become available.

**Mr Jim Wallace (Orkney) (LD):** I will be true to the ideals that Mr Gallie has already espoused. I do not think that there is anything under item 7

that we need be afraid of. I could be upsetting apple-carts here, because this might be the sort of thing that has always been done in private, but that is not necessarily a reason for continuing to take such items in private. My experience of my two or three European and External Relations Committee meetings so far is that it is a mature committee, where people put their cases reasonably. I do not think that the suggestions before us give cause for any great secrecy. I do not see why we should not have our discussion in the open.

**The Convener:** I understand that such consideration has always been in private in the past. Obviously, however, it is up to committee members.

**Mr Home Robertson:** I do not have particularly strong feelings on the matter. In practical terms, it is housekeeping. It basically involves members looking at their diaries and deciding what we are going to do when, and how we are going to approach things. There is something to be said for doing that in private. As a general matter of principle, however, I agree that policy issues should be discussed in public, although I am not sure that it is absolutely necessary or entirely desirable in this case.

**Mrs Margaret Ewing (Moray) (SNP):** I was not present at the away day but, having glanced through the papers, I do not see anything that could not be in the public domain. I think that we should be prepared to discuss the proposals in public. Despite what John Home Robertson says about diary commitments and so on, we are a mature enough committee to be able to set a timetable in an appropriate manner.

**Irene Oldfather:** When I first noted that it was proposed to hold item 7 in private, I was a little bit surprised, and I checked with the clerks to ask why that was the case. They reminded me that, on previous occasions, we have taken such items in private. Having read the papers, I have no particular difficulty with our holding item 7 in public. I was interested to hear the views of other members. There seems to be consensus that we could hold our discussion in public. I would not be averse to that.

**The Convener:** That seems to be the consensus of the committee. Is everyone agreed that item 7 be held in public?

*Members indicated agreement.*

**The Convener:** Is everyone agreed that item 8 be held in private?

*Members indicated agreement.*

**Phil Gallie:** I thank you, convener, and other colleagues. I will depart and leave things in Derek Brownlee's very capable hands.

**Irene Oldfather:** That must be the first time that Mr Gallie has won a vote in this committee.

**Phil Gallie:** That is not true, if members wish to think back. However, it is a fairly unusual circumstance, particularly with a unanimous decision.

**Irene Oldfather:** Let us hope that it is not something that we continue.

## Pre and Post-council Scrutiny

14:09

**The Convener:** Agenda item 4 is the committee's regular item on pre and post-council scrutiny. I read with great interest all the papers for the item and I found them quite fascinating. Do other members, who have been doing this for some time, have any points to raise?

**Mr Wallace:** I draw attention to agenda item 1 of the transport, telecommunications and energy council. The item deals with a

"Revised proposal for a Regulation of the European Parliament and of the Council on ... the award of public service contracts in passenger transport by rail and by road".

I have been in correspondence with the Minister for Transport and Telecommunications on the length of time that is permitted for public service obligation contracts for air services, especially the internal air services within Orkney. During the summer, I received a response—I tried to get the letter faxed from my constituency office, but it has not come through yet—which suggested that movements were afoot to change the maximum time to six years, as the current maximum of three years makes it somewhat difficult for air companies to invest in new planes and so on. However, the issue does not appear to be on the agenda, as item 1 deals only with rail and road. Do we know whether air services have been omitted from the proposed regulation at some stage along the process or whether air transport will be the subject of a separate proposal? I rather think that the proposed regulation originally included air transport and that air transport has been removed. Can we get some clarification on that matter?

**The Convener:** Yes. We will write to the Executive to ask for clarification before our next meeting.

**Mrs Ewing:** Section 3 of annex B—on page 4 of our paper—suggests that agreement on structural and cohesion funds will need to be reached on 3 October to ensure that SCF payments are not delayed beyond January 2007. Do we have a clear direction from the Scottish Executive as to what it will do on that issue? Given the importance of such funds to the Highlands and Islands, I am sure that Jim Wallace will agree with me that it is important that we know exactly what is happening.

**The Convener:** The recommendations section of our paper notes that we await information from the Scottish Executive on that issue. We can emphasise the point that has been raised to ensure that it is covered in the Executive's response.

**Irene Oldfather:** I note that page 11 gives information—which I presume will be considered in an agenda item in the pre-council meeting for the competitiveness council on 11 October—on progress in transposing internal market directives, which is an issue that the committee has previously considered. Personally, I was surprised to read that the average percentage per member state of internal market directives that have not yet been written into national law is now 1.9 per cent. That is a huge improvement on last year's figure of 7.1 per cent and quite an improvement on previous years. Given that we can be quick to criticise lack of progress, it is important to note that report.

**The Convener:** On that point—someone can correct me if I am wrong on this—I suspect that, on page 11, the first bullet point under the heading "Transposition of Internal Market Directives" should refer to the "EU 15" and only the second bullet point should refer to the "EU 25". Did other members read that in the same way? We can check out whether it is just a typo, but it seems a bit awry.

Do you have a recommendation on the issue or do you want clarification of some matter?

**Irene Oldfather:** No, I just note the improvement. It will be interesting to see that discussion when we deal with the issue as part of our post-council scrutiny. As I said, the committee has kind of kept an eye on the issue. To be honest, I was surprised at the improvement. I thought it worth mentioning, even though the issue is a pre-council agenda item rather than one for post-council scrutiny.

**The Convener:** It is interesting that the new member states seem to be performing better.

**Irene Oldfather:** Yes, they are doing particularly well.

**The Convener:** Do members wish to raise any other points?

**Irene Oldfather:** We should also note the better regulation conference that took place in Edinburgh on 22 and 23 September. I am not sure whether anyone from the Executive or the committee was involved in it; I know that I was not. However, as better regulation is something that the committee has discussed, it might be interesting if we could have a report on what progress was made at that conference.

**The Convener:** Subject to everything that has gone before in discussion on this item, are members content to note and agree to the recommendations in annex A?

**Members indicated agreement.**

## Sift

14:15

**The Convener:** We move to item 5, the sift of European Commission and European Union documents on draft legislation. Four items have been flagged up as being of special importance for other committees. First, we are sending to our colleagues on the Local Government and Transport Committee the revised proposal for a regulation of the European Parliament and the Council on public passenger services.

Secondly, there is the Commission road-map on dealing with TSEs—transmissible spongiform encephalopathies—which are the animal diseases of BSE—bovine spongiform encephalopathy—and scrapie. The roadmap may be of interest to the Environment and Rural Development Committee.

Thirdly, we have the details of a proposal to extend in 2006 the programme on good practices and the monitoring of the information communication technologies take-up, which is a key pillar of the Lisbon strategy. That is for the Enterprise and Culture Committee.

Finally, another one for the Environment and Rural Development Committee: Community contributions to member states' fisheries control programmes.

Is there anything that members would like to raise, or do we agree with the recommendations in the sift paper?

**Members indicated agreement.**

**The Convener:** Well, that was quick.



## Convener's Report

14:16

**The Convener:** We come to item 6, the report to the committee in the name of Irene Oldfather as deputy convener. It contains three matters that I wish to draw to your attention. Would members like me to run over the three items, or will we take them one by one?

**Dennis Canavan:** One by one.

**The Convener:** Okay. The first is a letter from Allan Wilson, Deputy Minister for Enterprise and Lifelong Learning. The letter follows on from a report by the committee in the first session of the Parliament, "Europe's Employment Strategy and Corporate Social Responsibility: An Inquiry into the Scottish Model". The letter highlights the Scottish contribution to the national reform programme. Do members have any comments?

**Irene Oldfather:** I raised the matter of input into the national reform programme with the minister last week, and it is very helpful to have this guidance from the deputy minister. It shows that considerable progress has been made since the committee looked at this matter some time ago. We took evidence from the European Commission and at that time those matters seemed to be very much driven by the member states. The letter shows that there is now much greater input from the Scottish Executive into those programmes. That is something that members who were involved in the committee's report into Europe's employment strategy will welcome.

**The Convener:** Are there any other comments on the deputy minister's letter? No.

The second item in the convener's report is an interim report from the Scottish Executive on its activities on the G8 summit. Does anyone wish to comment on that lengthy report?

**Irene Oldfather:** The committee undertook a full inquiry into the G8 summit and took considerable evidence from various groups across Scotland; it is interesting to have Mr McCabe's report. He says that he will give us further information later about costs and so on. However, the information that we have before us is a comprehensive outline of a wide-ranging programme.

The committee was keen to include in its inquiry wide involvement across Scotland and not just to concentrate on ministers and elites in the Executive. Therefore, I was particularly pleased with the breadth of activities that have been identified. I note especially the J8 summit, which was the junior equivalent of the G8 in which the young people got involved and presented various programmes and projects. An outline of that event

is given in paragraphs 37 and 38. A hundred young people between the ages of 14 and 16 participated. That is useful engagement and it is something that the committee was keen to see. The Live 8 concert was attended by the Minister for Tourism, Culture and Sport and me. I thoroughly enjoyed it. It is useful that the G8 was not only for politicians, but for citizens throughout Scotland, from those who took part in the make poverty history campaign to the young people in our schools. Those events must have promoted Scotland in a positive way.

**Mrs Ewing:** I am having visions of Irene boogieing the night away.

The report is excellent. It is a factual account of what happened. As members know, a number of issues surround legal challenges that may be made in the context of demonstrations. Should the committee, having taken evidence on the G8 summit, follow it up with a letter to the Minister for Justice to ask exactly what the policy is on the legal issues that surround events that happened outwith the formal G8 summit?

**Mr Wallace:** We would have to be more specific than that. If the matter relates to prosecutions it is not the responsibility of the Minister for Justice. Some issues have arisen about whether prosecutions have been carried through, but that is clearly the responsibility of the Lord Advocate who carries out that task independently. If we write to the Minister for Justice or the Lord Advocate we should be concise and specific. We should not make an open-ended inquiry.

**Mr Home Robertson:** I endorse everything that Irene Oldfather said.

I have read the section on page 9 on policing and I share Jim Wallace's anxiety about the suggestion that has been made. I do not know what issues we can usefully raise about legal judgments that have to be made by the Crown Office.

On the wider issue of policing, I have the impression that by all accounts it went very well. The only issue that is left hanging, in paragraph 45 of the paper, is the question of cost, as bills are still to come in. I presume that a high proportion of the money should come from United Kingdom funding. It would be interesting to get a further report on that in due course, but over the piece most of us have the impression that the policing of the event went very well and that it was a great credit to the police officers, police authorities, local authorities and everyone else.

**The Convener:** Mr McCabe states in the last paragraph of his letter that

"Later in the year ... a further report will be produced".

My first thought was that the committee should write to thank him for the report and ask him for a more definitive timescale for when he reckons a further report will be produced. I know that many of the issues are not completely in his control. Perhaps we could ask for a general statement from him on how the Executive feels the policing and justice issues were handled.

**Irene Oldfather:** The minister states that he is sure that we will appreciate that he does

“not yet have final figures”.

I certainly appreciate that. Taking into account John Home Robertson’s comments about paragraph 45, it would be reasonable to write back to express the committee’s view that the report is comprehensive and wide-ranging and that it is welcome, particularly in the light of the committee’s inquiry. We could state that we look forward to the further information that will be available and could perhaps even ask for a timescale for the publication of that information.

**The Convener:** Does Margaret Ewing agree with that?

**Mrs Ewing:** I would be happy with that. I thought that I should raise the issue because it is being trailed so much in the newspapers.

**The Convener:** Are there any other comments on the report?

**Dennis Canavan:** Paragraph 4 on page 17 says:

“On a more positive note, President Bush’s fall from his mountain bike and his subsequent praise for Scotland and its beauty, did feature quite widely internationally, positioning Scotland in a positive light.”

**The Convener:** Yahoo.

**Dennis Canavan:** Could we arrange for an action replay to present Scotland in an even more positive light?

**The Convener:** We could ask for that to be relayed weekly.

**Dennis Canavan:** On a more serious note, I am pleased to see the references to Africa in paragraphs 22 to 25. In the lead up to the G8 summit, the committee produced a report that suggested that not only the UK Department for International Development, but the Scottish Executive, should take a continuing interest in Africa. I am pleased by the references to the visit by the First Minister to some of the projects that flowed from that and to the meeting of the Commission for Africa that was held in the Scottish Parliament on 16 May.

**The Convener:** If everyone is content to move on, the third item of correspondence is a reply from the Executive on the impact of the working

time directive and opt-outs on sectors that are of particular interest to Scotland, such as power generation, road haulage, fisheries and agriculture. The letter responds to a question that Mr Gallie asked at the 24 May committee meeting, which arose from the pre-council agenda for the employment, social policy, health and consumer affairs council meeting of 2 to 3 June. As members have no comments, do we agree to note all three items of correspondence?

**Members indicated agreement.**

## Work Programme

14:26

**The Convener:** Agenda item 7 is the committee's work programme for 2005-06 and possible subjects for future committee inquiries. I was not a member of the committee when the subjects were discussed and I did not attend the away day, so I found the paper useful. I invite comments from those who have been involved. I will pull together the discussion later and make decisions after that.

**Irene Oldfather:** I am happy to comment first, although, because of personal and unexpected circumstances, I could not attend the committee away day. On reading the paper and reflecting on the inquiries that the committee has undertaken, several points occurred to me. We did quite a bit of work on the G8, the fresh talent initiative and other matters that relate to our external relations remit, and I am keen to move to a subject with a European dimension.

That said, I recognise, as Mr Gallie says in his letter—

**The Convener:** I should have mentioned that Mr Gallie submitted a letter in the knowledge that he could not attend the meeting. Derek Brownlee will probably speak to the points that Mr Gallie has made. We have copies of the letter if members feel that it would be useful to them.

**Irene Oldfather:** I have had a wee look at the letter, although it is not in front of me. I recall some of Mr Gallie's points, such as the one that structural funds are more or less a moving target, with which I agree. He mentioned one or two other matters that we have considered, such as the constitution, which is another moving target. We should have a watching brief on some of the obvious issues that the committee might want to examine.

I would like a practical European subject to be chosen and I am attracted to one or two issues. I am interested in giving a little more thought to Mr Wallace's suggestion about better regulation. That could be a practical exercise from which we could learn. I am also interested in throwing into the pot for discussion tripartite contracts, the youth initiative and the communications strategy. Perhaps we could consider Scotland's role in those initiatives.

I note from the paper that the Commission will go into further detail on the annual work programme in November, and I wonder whether the committee would be interested in inviting a member of the Commission to come along and speak to us about that in November. The October

break is coming up, so there is not an awful lot of time between now and then. We still have our fresh talent inquiry report to agree and I doubt that that will be done and dusted in one meeting. I wonder whether there is scope for our not taking a definitive view today but inviting the Commission to discuss the communications strategy, the tripartite contracts and the youth initiative, and to give us a practical analysis of the better regulation initiative.

14:30

**The Convener:** Do members have comments before we consider the recommendations? I thought that Dennis Canavan was poised to make a wonderful contribution.

**Dennis Canavan:** Not on the general points that have been raised, but on my suggestion.

**Mr Wallace:** I was pleased that Irene Oldfather thought there was something worth while in what I said about better regulation. I am intrigued by the fact that that did not seem to find its way from paragraph 26 to the recommendations.

**Alasdair Rankin (Clerk):** That was my mistake. It was an oversight.

**The Convener:** In our defence, I should say that it was certainly there when we discussed the recommendations. I have it highlighted.

**Irene Oldfather:** I had assumed that the recommendations were just a loose grouping.

**The Convener:** That is why I want to have a general discussion before we consider them.

**Irene Oldfather:** To be honest, I would want to reject some of them.

**The Convener:** I suggest that we consider each recommendation in turn. We will include Mr Wallace's suggestion about better regulation.

**Dennis Canavan:** I am sorry, convener. Perhaps I misunderstood. Will there be an opportunity for me to speak to my suggestion?

**The Convener:** Yes. It is included in the paper as one of the recommendations. We will go through all the recommendations to get an idea of how members feel about them. At the end of that, we will go back and decide what our priorities are.

The first recommendation is that we have an inquiry into the way in which structural funds receipts will be distributed in Scotland between 2007 and 2013. The bit that interested me more was the consequence of no structural funds being available or of any delay in agreeing the programmes.

**Irene Oldfather:** I think that Mr Gallie proposed in his letter that we do not hold that inquiry at this

point. I find myself in the unusual position of agreeing with Mr Gallie twice in one meeting. We are in the hands of others in relation to structural funds. From what we heard from Douglas Alexander, the Minister of State for Europe, we are waiting to see what will happen over the next few months. The committee should certainly keep a watching brief, but I am not convinced that we want to undertake a reporter-led inquiry. I am interested in what other colleagues think. We have produced about four reports into structural funds; it is not that long since we concluded our most recent one and I do not know that the picture has changed very much since then.

**Mrs Ewing:** That is the problem. Nothing is changing.

**Mr Home Robertson:** The funds are diminishing.

**Mrs Ewing:** You are right, John. It is the Commission.

I agree with Phil Gallie on the issue that he raised about research. I am very keen that we do not just let the issue of structural funds disappear. If anyone wants to argue the case, the Scottish Parliament should do so because of all the changes of circumstances. The issue is significant. If we were to do a further report on structural funds, we would need to ensure that the Department of Trade and Industry was involved directly because of the issue of match funding.

**The Convener:** Okay. Does any other member wish to comment?

**Mr Wallace:** I share Irene Oldfather's view that the committee has dealt with structural funds a number of times. Indeed, I remember giving evidence to the committee on the issue and the recommendations that flowed from that. However, it is important that we keep track of the issue. The situation is the opposite of fluid; it seems to have got stuck and stagnated.

As we saw under the previous agenda item, the issue is due to be discussed at the general affairs and external relations council next week—on 3 October, I think. In the light of any progress that is made there—or lack of it—and without doing a full report, perhaps it would be worth while for us to ask the minister to give us a progress report towards the end of the year. We could ask him to speak to the work that the committee has done previously.

**The Convener:** I agree that the committee has done inquiries into structural funds, but the issue remains of whether the funds will be distributed regionally or centrally. What do members feel about the suggestion of asking the minister to update us? He could address the mechanisms that are employed in the distribution of structural funds.

**Mrs Ewing:** Which minister would we invite? Some of the decisions are taken at Westminster.

**The Convener:** Tom McCabe is the lead minister. I would expect him to be invited.

**Irene Oldfather:** We have always said that we would keep a watching brief on the issue. I am happy with Jim Wallace's suggestion. Obviously, the time towards the end of the year is also the time towards the end of the presidency. We would want to review progress, see exactly where we are at and what the cascade might be further down the line.

**The Convener:** That could leave us the option of looking at some form of further inquiry, depending on the outcome.

**Mrs Ewing:** When we invite Tom McCabe to come and speak to us, could we also write to the appropriate Westminster department to ask for an update?

**The Convener:** Yes. Do you have anything to say on the matter, Derek?

**Derek Brownlee:** I do not wish to disagree with the general idea that the committee should keep a watching brief on the issue, which is clearly of fundamental importance not only in the Highlands but more widely in Scotland. The committee should keep a close eye on the subject.

**The Convener:** Okay.

**Irene Oldfather:** If the proposal is to invite the minister back at the end of the year, I am supportive of that. That is a little bit different to entering into another full inquiry at this point, which I am not particularly keen to do.

**Mrs Ewing:** I am totally happy with the idea of asking the minister to come at the end of the year, but I would like his view to be supplemented by the view from Westminster. Westminster deals with the ultimate decisions and financing. If we could get written evidence from Westminster, we could decide thereafter whether to pursue the matter further. If we can combine the two, I am happy to go with the suggestion.

**The Convener:** Okay. Are we agreed?

**Members indicated agreement.**

**The Convener:** The next issue is the promotion of the Lisbon strategy. The committee has looked at that before, but we must now consider whether to undertake a major inquiry in 2006. As a newcomer to the committee's discussions, my first thoughts on discussing the subject with the clerks were that the issue is so big that the committee would need to focus on what it wanted to achieve from an inquiry.

Looking at the various initiatives that have been going on, including what other commentators have said on the subject, I suggest that we focus on

research and development—that is a big issue in Scotland and one in which we do well—innovation or employment. How do members feel about having an inquiry on the Lisbon strategy and how focused should it be?

**Mr Home Robertson:** I would be rather enthusiastic about such an inquiry. We could consider the potential for Scotland of riding on the back of the Lisbon strategy to boost our economy. Scotland is a peripheral and small part of an island nation and that has economic disadvantages. However, we could take more advantage of innovations in our universities and research institutes in the areas of science and technology. The Executive could promote development in those areas to drive the economy, employ more people and improve people's quality of life in Scotland. The term "silicon glen" has got a bad name lately, but rather than abandon it as an idea we should drive it forward. I agree that we would need a focus for the inquiry.

**Mr Wallace:** As John Home Robertson said, the Lisbon strategy is an important subject. However, I would be wary of duplicating the work of the Enterprise and Culture Committee, which is considering business growth and research and development. The Lisbon agenda is wide and there may be aspects of it that the Enterprise and Culture Committee is not dealing with. It would not be a good use of our resources and time to replicate what another committee is doing. Perhaps the convener could discuss the matter with Alex Neil, the convener of the Enterprise and Culture Committee.

**Mr Home Robertson:** Do you speak to each other, convener?

**Mrs Ewing:** We all speak to one another.

**The Convener:** Oh yes, we are all one big happy family.

It would help both committees if the work that we were to do complemented what the Enterprise and Culture Committee is doing, although there could be some crossover.

**Mr Home Robertson:** The convener and the clerk could liaise with their counterparts on that committee and consider what we could usefully do.

**The Convener:** We could come back to our next meeting with a firm recommendation.

**Irene Oldfather:** I agree with what John Home Robertson and Jim Wallace said. Further to that, after the European Commission has produced its policy strategy in November, perhaps a Commission representative could attend a committee meeting and we could consider the strategy. The Lisbon strategy is big, but the Commission tends to look at different aspects of it

at different times, especially where growth is lagging or where it wants to take particular initiatives—for example, on the employability of people over 55. There are also continuing initiatives on improving competitiveness in different member states.

As part of refining the scope of our inquiry and discussing it with the Enterprise and Culture Committee, we could consider what the Commission is focusing on in its November policy strategy document. Given that the Lisbon strategy covers a big area, we could refine the scope of our inquiry over a few committee meetings and decide what we want to focus on.

**The Convener:** We will be considering the Commission's strategy for 2006, so that would be fine. Is everyone content with that part of our discussion?

*Members indicated agreement.*

**The Convener:** The next recommendation, which must have come up at the away day, is that we undertake an inquiry into the effect of the services directive on public services, the business sector and the general public. There is a general awareness that the directive is at a late legislative stage; Phil Gallie referred to that in his letter. How useful can the committee be in this area? For example, our inquiry could examine the provisions of the finalised directive and investigate their likely effects.

In discussion with the clerks, my first thought was that they could bring a briefing paper to a committee meeting to inform us of what stage the services directive is at and its likely effects. Are there any comments on that?

**Mr Wallace:** That would be helpful.

**Irene Oldfather:** I agree. An issue that was discussed early on in relation to the directive was where services of general interest, with particular application to public services, would come in and whether they would, indeed, be excluded from the directive. I have lost track of the current situation because of the continuing amendments.

The services directive is a political issue and different political groups and member states are taking different perspectives and viewpoints on it. I would be keen to know how we are progressing, especially on issues around services of general interest, and I would be interested to know whether any agreement has been reached. I see that John Edward is in the public gallery, so perhaps I could have a word with him afterwards—he probably knows something about the situation. I lost track of the discussion a few months ago.

In the Committee of the Regions, we were pushing our position very hard. We included calls in a number of resolutions to ensure that services

of general interest with respect to the public sector were protected to some extent in the directive. I do not know what stage the discussions have reached. It would be helpful to have a briefing paper with an update on the situation.

14:45

**Mrs Ewing:** Is the Finance Committee looking into that matter?

**The Convener:** I am unaware of that, but we can check.

The next item for consideration is:

“Mr Gallie’s proposal that the Committee conduct an investigation into EU bureaucracy, terms of employment, benefits and wider fraud issues.”

That would be some inquiry, I must say. Would Mr Brownlee like to comment?

**Derek Brownlee:** Everything that Phil Gallie has suggested has received a great deal of support so far. I wonder, however, whether that support is about to run out. The terms of the proposal might be rather wide, as the convener suggests. I read a number of newspapers, but I do not read *Bild* on a regular basis, so I am unaware of the specifics of the article to which Mr Gallie refers in his letter. I feel, however, that it would be remiss of me not to encourage committee members to give serious consideration to the suggestion.

**The Convener:** That was very diplomatic.

**Mr Wallace:** Phil Gallie will be able to read that in the *Official Report*.

**Mrs Ewing:** I seem to have been travelling so much in the last wee while that it has been difficult to keep up with everything. Was not a statement made today to the effect that the European Commission is seriously considering reducing red tape? Everything was covered, including things such as packaging. If we were to do anything on European Union bureaucracy, our work would need to be targeted at one specific area of the economy, rather than being a broad sweep as suggested by Phil Gallie’s proposal. We could go on for ever about the sizes of postage stamps, envelopes, bits of paper and goodness knows what. I am not against our considering the various regulations and directives, but I feel that any work that we did would need to be clearly focused in one direction, and I do not think that we could get agreement on which direction to go in.

**Irene Oldfather:** Members will not be surprised to learn that I would not be in favour of undertaking such an inquiry. I note what Margaret Ewing said. I read in the newspapers today that Mr Barroso is absolutely committed to reducing regulation for business, and I await developments there with interest. There seems to be a firm

commitment on the part of the Commission to do something about the matter. I also noted in the newspapers something about European schools and who should pay for them. We could end up getting into a minefield. It is more about conditions of employment, benefits, and so on.

On Mr Gallie’s suggestion of investigating “wider fraud issues”, I point out that committees of inquiry are dealing with that in Europe and they have been coming up with results that Mr Gallie would probably be surprised by. I would not be in favour of entering into such an investigation at this point.

**The Convener:** Is that the general feeling of the committee?

**Members indicated agreement.**

**The Convener:** The next recommendation is:

“Mr Canavan’s proposal that the Committee conduct an inquiry into the opportunities for bi-lateral co-operation projects between Scotland and the Republic of Ireland and Northern Ireland, using access to Interreg or Co-operation funding.”

**Dennis Canavan:** I raised this subject at the away day. I think that there is huge potential for bilateral co-operation between Scotland and Ireland—both the Republic of Ireland and Northern Ireland. The paper uses the subheading:

“Bi-Lateral Co-operation Project with Ireland Using EU Funding”.

I would prefer the word “programme” to the word “project”, because I was talking about the potential for having diverse projects. In addition, although EU funding would be helpful, it would not be essential for such projects. There would be merit in conducting such an inquiry whether or not we have the added bonus of EU funding.

The inquiry would be into areas such as cultural exchange, tourism, sport, education and transport, from which there could be huge spin-offs in social and economic benefits for both Scotland and Ireland—by which, I emphasise again, I mean both Northern Ireland and the Republic of Ireland.

The present Interreg funding is due to finish at the end of next year. It was pointed out to me recently that Scotland and Ireland have never had an Interreg-funded programme. Of course, Scotland and Northern Ireland alone would not qualify, because they are within the same member state, namely the United Kingdom. It seems to me that people in the Scottish Executive and, before that, the Scottish Office have been sleeping for years while the Irish have been digging into this pot of money. The powers that be in Scotland have not realised that, because the maritime border between the Donegal coastline in the Republic of Ireland and parts of south-west Scotland falls within the maximum distance that is laid down under Interreg, Scotland could qualify.

As I said, Interreg finishes at the end of next year. It will be replaced by the co-operation objective, under the criteria for which, again, it appears that there will be a possibility of joint projects between Scotland and Ireland qualifying.

We will probably lose a lot of structural funds under the new regime because of enlargement, so we ought to be looking at every available pot of money to see whether we qualify. However, as I said, that would be a bonus; I still think that there is a good self-contained argument for saying that we ought to have closer ties and bonds of co-operation between Scotland and one of our closest neighbours—bearing in mind our strong historical, cultural and other ties. Strangely enough, Wales has been on to Interreg money for years, but for one reason or another Scotland has not exploited the potential.

If the committee does not agree to hold a full inquiry on the subject, but would hold a reporter-led inquiry, I would be willing to volunteer my services as reporter.

**The Convener:** Margaret Ewing is a member of the British-Irish Inter-Parliamentary Body and attends lots of its meetings.

**Mrs Ewing:** What Dennis Canavan has been saying is similar to what has been said at meetings of the BIIPB. He took the words out of my mouth when he spoke about Wales. Wales is part of a member state of the EU but it has benefited massively through making contacts with Ireland. I would support Scotland making such contacts.

I have been told that, if the Campbeltown to Ballycastle ferry were to go a wee bit further south and stop in on the coast of the Republic of Ireland, and then go back to Ardrossan, funding would be made available to support it. That sort of thing is well worth looking at.

Ireland is a great example of how European funding can be used to a country's best advantage. If Dennis Canavan wants to be a rapporteur, I will give him anything that I can bring back from the BIIPB. We meet either next month or in November in Scotland. If I can get this issue on to the agenda, I will certainly do so.

**The Convener:** If we decide to proceed, we should do so by appointing a rapporteur.

**Irene Oldfather:** I know that Dennis Canavan produced a very good report for the committee in the past, so I would be happy to endorse his appointment as rapporteur. Anything that we can do to maximise funding and funding opportunities for Scotland is to be greatly welcomed. At the moment Scotland is participating in a strand of Interreg—Strathclyde European Partnership is doing something. I know that Sachsen-Anhalt, one

of the regions that were involved in the network of regional parliamentary European committees, is very active in Interreg, so there may be opportunities for us to explore that connection. Sachsen-Anhalt was instrumental in developing the way in which the criteria for the new tranche of moneys, post 2007, are proposed, to ensure that there are opportunities for regions that do not have an immediate border with one another to work together. It was keen to develop transnational links. It might be helpful in the first instance if a paper could be produced to enable us to consider some of the issues. Something is being done in Scotland in this area.

**Dennis Canavan:** But not with Ireland.

**Irene Oldfather:** Possibly not. However, I am sure that Strathclyde European Partnership would be able to give us further information. I am happy to endorse Dennis Canavan as a rapporteur, if he is interested in the issue and is willing to explore further any opportunities that exist.

**Mr Wallace:** Many positive suggestions have been made. However, it strikes me that we are proposing a unilateral inquiry into bilateral co-operation. I wonder whether we could think outside the box. Does anyone know whether the inquiry could be conducted bilaterally? Is there an equivalent committee in the Dáil?

**Mr Home Robertson:** There certainly used to be. When I was deputy convener of the committee, there was occasional liaison with people at the House of Lords, the House of Commons, the Dáil, Stormont and so on.

**The Convener:** Irene Oldfather knows about that.

**Irene Oldfather:** There is a structure involving the Welsh Assembly, the Northern Ireland Assembly, the House of Lords and the Scottish Parliament. There are regular meetings two or three times a year, at which we share good practice.

**The Convener:** We need to pull in the Dáil as well.

**Irene Oldfather:** Although the Dáil is not represented in the structure to which I refer, because Ireland is a separate member state, there are regular meetings between the House of Commons European Scrutiny Committee and the House of Lords European Union Committee and representatives of the Dáil, and between representatives of the Northern Ireland Assembly and the Dáil. There are good links, so it may be possible for us to produce a paper. I am not sure whether it is our turn to host the meeting between the different committees. The previous meeting that I attended was held at Stormont. I know that the committees have met at the House of Lords

and the House of Commons. There was also a meeting in Aberdeen, when Richard Lochhead was convener.

**The Convener:** I understand that it is Westminster's turn to host a meeting. We will produce a paper outlining the current situation, so that we can move forward with a view to appointing a rapporteur on the issue.

**Mrs Ewing:** The clerk may want to contact Alison Dickie, because I am sure that some work has been done on the issue via the British-Irish Inter-Parliamentary Body. If a paper is available, it could be a helpful starting point. As a former member of the BIIPB, Dennis Canavan knows that the Dáil is represented on it.

**The Convener:** Would Derek Brownlee like to comment? I know that Mr Gallie was not keen on the idea, but I am sure that he would have been swayed by the force of the argument today.

**Derek Brownlee:** With the greatest of respect, it is impossible for us to know how Mr Gallie would have been influenced.

**Mr Home Robertson:** I hope that he does not read the *Official Report* of this meeting.

**The Convener:** At this point, I would like us to consider the better regulation case studies item that was omitted from the recommendations. Would Jim Wallace like to speak to that?

15:00

**Mr Wallace:** Yes. As we are all aware from our constituency postbags, some small and medium-sized enterprises believe that there is always gold plating of European regulations. At our away day, I suggested that it might be worth while to use our collective experience to identify two or three regulations and to carry out an in-depth study of their implementation to ascertain whether we have gone beyond what was necessary and whether there has indeed been gold plating. We could select two or three other member states and examine the way in which the regulations were implemented there. In the case of regulations over which there is devolved responsibility, we could examine how they have been implemented in England, for example. That might—even just in those individual cases—allow the Executive to consider whether it has embellished the regulations. That might not be the case; we might well find that Scotland is a model of good regulation. However, if we can identify one or two cases in which the implementation of regulations has gone too far, that would put the people who draft them on alert and it would indicate that we should not unnecessarily disadvantage our businesses by overegging the pudding. I managed to get about five metaphors into that.

**Derek Brownlee:** I endorse that sensible suggestion. European regulations are one of those areas that are rich in anecdote but relatively light in evidence, so a detailed examination of a number of regulations would be useful.

**Karen Gillon (Clydesdale) (Lab):** Mr Wallace would make a fantastic rapporteur on the issue.

**Mr Wallace:** As long as I get to suggest which other member states we consider.

**Karen Gillon:** You could make recommendations to the committee.

**The Convener:** Jim, do you have any ideas floating about in your head—[*Laughter.*] I will not stop the sentence there; I have another bit to say. Do you have any ideas about the issues—rather than the other member states—that you would like to examine?

**Mr Wallace:** The point is to get beyond the anecdotes to the specifics. I am currently dealing with the Scottish Executive Environment and Rural Affairs Department on one example, on waste incineration—I cannot remember the precise name of the directive. I have received representations that in Scotland we have implemented the directive in a way that is far more restrictive and demanding than is the case south of the border.

**Mr Home Robertson:** That would not surprise me.

**Mr Wallace:** The circumstances are such that waste oil from cars and farm machinery will have to be put to landfill because the company concerned cannot get a licence to treat it. The directive has an environmental objective but it has a counter-environmental effect. I have been told that the authorities south of the border have not implemented it in such a restrictive way. That is one example, but I am sure that we all have others, even from recent experience.

**The Convener:** I suggest that the way forward is for Jim Wallace to have a chat with any members who are interested in particular issues. He can then have a discussion with the clerks with a view to bringing back a paper to try to focus the inquiry and move it forward. Is that agreed?

**Members indicated agreement.**

**The Convener:** The final recommendation probably goes without saying. It is that we

“Track the progress of the other issues covered in this paper as being potentially significant over the next 18 months, chiefly perhaps the Commission's Work Programme”.

As Irene Oldfather said, that is due out in November. We have already talked about inviting someone from the Commission to meet us to discuss its work programme.



Before we move on to the external relations options, do members want to raise any other issues? For example, Phil Gallie states in his letter that he is keen on

“Early considerations of the Green Paper on **Future EU Maritime policy**”.

**Irene Oldfather:** As I said in my initial comments, I am interested in tripartite contracts, which the committee examined briefly some time ago, and in the new communications strategy. I guess that both matters could be covered when the European Commission representative comes to speak to the committee. Tripartite contracts are a practical example of how the European Commission can enter into agreements with individual regions or authorities to advance environmental, education and other action programmes, and there could be merit in undertaking something practical. I am willing to have further discussions on that in November when the Commission’s representative comes; I simply wanted to ensure that the matter is noted.

**The Convener:** It would make sense to speak to the Commission to take the matter forward.

If there are no other comments, we will move on to paragraph 28 of the paper, under the heading “External Relations Options”. I understand that, at its away day, the committee considered two options. The first was

“an inquiry into global Scots and similar networks and how the Government and the Executive use the Scottish diaspora and its connections to identify and take advantage of economic, educational and cultural opportunities for Scotland.”

When I first spoke about that to Alasdair Rankin and David Simpson, I was aware that I was confused about where everything fitted in. I do not know how au fait the committee is with how all these things work and with what helps what. I asked for a briefing paper to be prepared, which I have found extremely useful. I wondered whether the committee would like at its next meeting to have a briefing on how all the various organisations work, what their remit is, and how they complement one another before we decide whether we should go any further.

**Karen Gillon:** I would like a written paper, not necessarily a briefing.

**Irene Oldfather:** I am entirely happy to have the clerks produce a written briefing, but I feel that we touched on those things in our promoting Scotland worldwide inquiry. We took evidence in New York and Boston, and we asked people from the various organisations to come to the committee. I do not think that it is a priority for the committee, although that is a personal view.

**Karen Gillon:** One thing is missing. At the away day, I raised the issue of evaluating the

Executive’s external relations strategy in relation to international development. I understood that we would consider that in perhaps April of next year. I do not know the timescale for dealing with the European Union issues, but I noticed that some matters are to be discussed over the next 18 months. I would be anxious to include discussion of the Executive’s strategy in the forward work programme. It is important that we consider the international development strategy, how it is developing and how we can broaden it.

**The Convener:** Should we have at our next meeting a short paper on the remit of the international development strategy and what has been happening with it? It could help us to decide what we should be investigating and whether the time is right for such an investigation. It might be too soon to consider the issue properly, but we should have that knowledge before we decide. Is that agreed?

**Members indicated agreement.**

**The Convener:** The final option came, I presume, from the away day and from previous committee discussions. The suggestion is for

“an inquiry into the operation of the concordats and the Joint Ministerial Committee (JMC) between Westminster and the devolved governments.”

The committee would consider the general principles.

Does anyone want to speak to this? Whose suggestion was it?

**Gordon Jackson (Glasgow Govan) (Lab):** It certainly was not mine.

**The Convener:** It must have been John Swinney’s. It can be one of those things that we track.

**Irene Oldfather:** The issue was raised at the away day before last. Professor Drew Scott spoke to the committee in private and raised some of the issues. Probably 95 per cent of committee members, with the exception of John Swinney, thought that the issue was for a very much later stage. That is certainly my view.

**Mrs Ewing:** In some ways the issue ties in with what Karen Gillon spoke about. As a result of my work in the Commonwealth Parliamentary Association, I know that when we raise issues that involve international relations and the work of the Department for International Development, I am bombarded by comments from people at Westminster who say, “You have no right to interfere in this.” That is despite the fact that the committee has taken evidence from Hilary Benn and others, who have given the full go-ahead to what we are doing. The issue could be tied in with international development and considered in a

specific sphere rather than considering the generality of the concordats.

**The Convener:** If members are all content, I will recap what I think the committee has agreed to in going through the recommendations.

**Mrs Ewing:** Go for it girl.

**The Convener:** I ask members to jump in if they think that I have got something wrong.

We decided that we would like Mr McCabe to speak to the committee on the distribution of structural funds. In tandem with that, towards the end of the year, we will ask for information from Westminster about where it is at on the matter.

On the EU's promotion of the Lisbon strategy, we agreed that our approach should be more focused and that there would be joint discussions among myself, the clerks, Alex Neil as the convener of the Enterprise and Culture Committee and the clerks to that committee. I hope that we can come back to the next meeting with a more focused view of how we should proceed.

**Irene Oldfather:** We also agreed that we should take into account the Commission's work programme.

**The Convener:** Yes, of course.

We recognise that the services directive is quite far down the line, so it would be ideal for a briefing paper to come to us.

We reckon that we do not have the capacity to carry out an investigation into EU bureaucracy, terms of employment, benefits and wider fraud issues.

On Mr Canavan's proposal on bilateral co-operation between Scotland and Ireland, we should be provided with a briefing paper that describes the current situation, with a view to appointing a rapporteur to take the matter forward.

Mr Wallace will chat with anyone who wishes to have an input on better regulation case studies and will then meet the clerks to come up with examples of themes to consider and places with which to make comparisons.

We will obviously track the progress of the other issues that are covered in the paper.

On external relations, we will get a briefing paper on the different agencies that relate to Scotland's place in the world. We will also get a short paper on the international development strategy, with a view to examining relationships beyond Europe. That could perhaps also pull in concordats that relate directly to international development.

Are members all content with the decisions that we have made?

**Members indicated agreement.**

**The Convener:** I thank members of the public for attending the meeting. The committee's next meeting will be after the recess, on 25 October.

15:13

*Meeting continued in private until 15:20.*

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

**Thursday 13 October 2005**

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

*Single copies: £5.00*

*Meetings of the Parliament annual subscriptions: £350.00*

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*

*Annual subscriptions: £150.00*

Standing orders will be accepted at Document Supply.

Published in Edinburgh by Astron and available from:

**Blackwell's Bookshop**  
53 South Bridge  
Edinburgh EH1 1YS  
0131 622 8222

**Blackwell's Bookshops:**  
243-244 High Holborn  
London WC1 7DZ  
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh

**Blackwell's Scottish Parliament Documentation**  
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

**Telephone orders and inquiries**  
0131 622 8283 or  
0131 622 8258

**Fax orders**  
0131 557 8149

**E-mail orders**  
business.edinburgh@blackwell.co.uk

**Subscriptions & Standing Orders**  
business.edinburgh@blackwell.co.uk

**RNID Typetalk calls welcome on**  
18001 0131 348 5412  
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

**Accredited Agents**  
(see Yellow Pages)

and through good booksellers

Printed in Scotland by Astron