

# **EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**

Tuesday 9 May 2006

Session 2

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## EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

### 7<sup>th</sup> Meeting 2006, Session 2

#### CONVENER

\*Linda Fabiani (Central Scotland) (SNP)

#### DEPUTY CONVENER

\*Irene Oldfather (Cunninghame South) (Lab)

#### COMMITTEE MEMBERS

\*Dennis Canavan (Falkirk West) (Ind)  
\*Bruce Crawford (Mid Scotland and Fife) (SNP)  
\*Phil Gallie (South of Scotland) (Con)  
\*Mr Charlie Gordon (Glasgow Cathcart) (Lab)  
\*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 (Moray) (SNP)  
Nora Radcliffe (Gordon) (LD)

\*attended

#### THE FOLLOWING GAVE EVIDENCE:

Patricia Ferguson (Minister for Tourism, Culture and Sport)  
John Henderson (Scottish Executive Finance and Central Services Department)  
Jeremy Wyatt (Hall Aitken)

#### CLERK TO THE COMMITTEE

Alasdair Rankin

#### ASSISTANT CLERKS

Emma Berry  
Nick Hawthorne

#### LOCATION

Committee Room 1



## Scottish Parliament

### European and External Relations Committee

*Tuesday 9 May 2006*

[THE CONVENER *opened the meeting at 14:00*]

**The Convener (Linda Fabiani):** Good afternoon and welcome to the seventh meeting this year of the European and External Relations Committee. I remind everyone that today is Europe day, so it is appropriate that we have a meeting this afternoon. I thought that I would ask Mr Gallie to lead us off with a rendition of the European anthem.

**Phil Gallie (South of Scotland) (Con):** "Scots, wha hae"—

**The Convener:** Well done.

I want to comment on the our voice in Europe youth forum that was held on Sunday and yesterday, when young people from schools all over Scotland came to the Parliament to discuss democracy, dialogue and debate. It was a super event that was run jointly by the Parliament and the Executive, which will inform the findings of the project on building a bridge between Europe and its citizens. The two days were excellent and I certainly learned a great deal from the sixth-year pupils who attended. It is worth having a look at the information that is provided on the Parliament's website.

**Phil Gallie:** I indicated at an early stage that I was interested in the forum and keen to participate in it. Regrettably, when I finally managed to obtain a programme—on the day before the event was due to start—I found that I would have been able to participate only as an observer. My understanding is that the European and External Relations Committee is the parliamentary body that is responsible for considering external relations and European matters, so it is a shame that members of the committee were not fully involved in the running of the forum. I am sure that it was an excellent event and I welcome the fact that it represented an attempt to bridge the gap with young people, but on such occasions people from all sides of the European debate should be invited to present their views and I felt that that was not the case with the forum.

**Irene Oldfather (Cunninghame South) (Lab):** It might help Phil Gallie not to feel left out if I tell him that I volunteered to do a workshop on the Monday—yesterday—but the organisers did not take up my offer.

**The Convener:** The nerve of them.

**Irene Oldfather:** That proves that it was nothing personal. I can assure Mr Gallie that he was not prevented from participating because of his views on Europe.

The convener is right—the forum was a great idea. Going to such events makes one realise that young people are highly enthusiastic about becoming involved in Europe and the European project. That said, I have some sympathy with Phil Gallie's point in that, as committee members, we were all asked if we would be able to participate and, like Mr Gallie, I volunteered my services. However, I noticed from the programme that the committee as such was not involved.

**The Convener:** I will ask that your justified concerns be passed on to the organisers of the two-day event—the Parliament's external liaison unit and the Executive. Perhaps we will ask them to build a bridge with the committee, as well as outwardly.

**Phil Gallie:** We can ask no more than that. I thank the convener and Irene Oldfather.

**The Convener:** Before we move on to agenda item 1, I inform members that we will not be able to hold the videoconference that we planned to have with Professor John Bachtler of the University of Strathclyde as part of our structural funds inquiry. It has proved impossible to sort out the logistics, so we will look for another slot in which to hear from the professor.

## Petition

### Fishing Industry (PE804)

14:05

**The Convener:** Our first item of business today relates to our consideration of petition PE804. Members will remember that the committee decided to invite the petitioners and a United Kingdom Government minister to appear before the committee. The invitation was sent to Douglas Alexander, who was Minister of State for Europe at the time, because our interest was constitutional. His office contacted the clerks to say that our letter had been passed to Ben Bradshaw as fisheries minister. I understand that Mr Bradshaw is still the fisheries minister. We are still waiting for a response.

Meanwhile, an e-mail that was sent by a Scottish Executive official to the Scottish Fishermen's Federation was passed to the petitioners, who in turn made it available to Phil Gallie. Mr Gallie brought it to the committee's attention at a previous meeting and it was agreed that the matter would be put on the agenda for today's meeting.

Members will find in their papers copies of the e-mail and a letter from the Scottish Executive that sets out its position on the matter. I invite comments from all members of the committee, but obviously I will start with Mr Gallie.

**Phil Gallie:** Once again, I come back to the contents of the e-mail and I refer in particular to the comment:

"In a political move by the SNP, Holyrood's European Committee voted (narrowly) to ask Ben Bradshaw to give evidence to them".

The e-mail was sent by an official in the fisheries division of the Scottish Executive. The comment that I quoted is factually wrong. It was not a political move by the Scottish National Party. It was a move by me to push and give a fair hearing to a petition that has 250,000 signatures. The SNP backed my move, but so did Dennis Canavan, who is an independent, so it was not a political move by anyone; it was a parliamentary move by parliamentary members of this parliamentary committee. On that basis, the official got it totally wrong.

The invitation should have gone, as I understand it did, to Douglas Alexander. It was made quite clear that this was a constitutional matter. I accept that the Environment and Rural Development Committee did not want to take forward the petition on the basis of its being about fisheries, but we raised a constitutional issue. On that basis, the official's response is totally wrong.

As I said last week, it is wrong for an official—with the backing of a minister or whatever—to get involved to this extent in something that is parliamentary business and not Executive business. My objective in continuing the debate is to get perhaps an apology from the Scottish Executive Environment and Rural Affairs Department and, more important, an acknowledgement that such intervention will never again take place. I accept that Westminster ministers who are asked to come here will have close alliances with ministers in the Scottish Parliament. That is nothing more than I would expect and I do not mind that contact being there. However, I do not expect civil servants in the Scottish Executive to go out and promote that contact. It should be the other way around. The Westminster minister should say, "I have an invitation. What are your views?" That would be a different matter altogether.

**Dennis Canavan (Falkirk West) (Ind):** I share Phil Gallie's concerns about the choice of words and the accuracy of the contents of the e-mail from Barbara Strathern. She refers to

"a political move by the SNP".

The clear implication is that it was a political ploy. I have been in active politics for more than 30 years and I think that I can recognise an SNP ploy when I see one. In this case, there was no SNP ploy or move. Phil Gallie proposed inviting a UK minister to give evidence and I voted for that. I cannot remember whether both of the SNP members of the committee voted for it, but it certainly was not a political move by the SNP.

The civil servant stated that the committee

"voted ... to ask Ben Bradshaw to give evidence".

Technically, that is not correct either. In fact, we asked Douglas Alexander to give evidence. She also said that we asked Ben Bradshaw

"to give evidence to them"—

that is, the committee—

"on the back of legal advice that it would be theoretically possible."

That statement is incorrect; we received legal advice not on whether it was possible to invite a UK Government minister, but on whether it was legally possible to withdraw from the common fisheries policy. To say the least, it was indiscreet of a member of the Executive's civil service to write in such terms.

It is worth pointing out that there are several precedents of UK Government ministers giving evidence to Scottish Parliament committees, including our committee. I remember that Hilary Benn spoke to the Parliament and gave evidence to the committee over a videolink. Douglas

Alexander has also visited the Parliament on occasion.

**John Home Robertson (East Lothian) (Lab):** My colleagues are making a bit of a meal out of the matter. The e-mail says:

“Holyrood’s European Committee voted (narrowly) to ask”

the minister to give evidence. If we want to nit-pick about inaccuracies, I could say that the decision was taken on the convener’s casting vote after a dodgy vote—we have talked about the fact that a casting vote should not have been needed. Members who found themselves in a minority accepted the situation and said with good grace that we should by all means hear from the Cod Crusaders, despite the origins of the thing. To start raking over such matters now would be ill-advised.

As a fisheries minister many years ago, I encouraged officials to maintain a close and candid relationship with industry bodies and in particular with the Scottish Fishermen’s Federation, to let them know what was going on and to keep them briefed. I am delighted that ministers continue to advise their officials to do that, that a close relationship exists and that the Scottish Fishermen’s Federation is kept advised about the Environment and Rural Affairs Department’s thinking. If this slightly contrived row about one word in one e-mail shut down useful open government relationships between the SFF and the department, that would be a pity.

**Irene Oldfather:** When we saw the e-mail before, I had no idea who Bertie, Mary McAllan and Frank Strang were, so I did not know where the e-mail had been. I wondered whether it was sent to a Westminster department and I was incredibly concerned about that. We have received further information that the e-mail was sent to the Scottish Fishermen’s Federation. Despite the inaccuracies in the e-mail, that information puts it in a slightly different light, because an official would not send the SFF an e-mail without assuming that it would probably see the light of day somewhere. In such circumstances, it is not the private or sinister e-mail that I had initially wondered about at our previous meeting.

The question is where we go from here and how we move on. The e-mail represents an official taking action—I presume that it was on her own behalf—to keep the Scottish Fishermen’s Federation informed of developments. I do not particularly like some of the wording in the e-mail, but I do not know whether we can reasonably do anything further about it. My conclusion is that we should note it and move on to discussing the petition.

As John Home Robertson said, we voted on the issue. Some of us were not keen to undertake the

work, but when we realised that the vote was not competent, we decided in good faith to proceed anyway and to take evidence from the petitioners. My view is that we should note the e-mail and move on.

14:15

**The Convener:** Before I bring in Jim Wallace and Bruce Crawford, I caution the committee against dragging up the issue of whether the vote was relevant or not. As convener, my view is that it is of no interest whatever to an Executive official how a decision was made and whether a vote was narrow or not. A decision was made; that is what matters, and that is what the e-mail relates to. Can we keep to the matter in hand?

**John Home Robertson:** On a point of order, convener. If we want to get into this discussion, the decision was not correct.

**The Convener:** In my opinion, that is entirely irrelevant to the subsequent discussions.

**John Home Robertson:** That might be your opinion, but it is a matter of fact that the vote was incorrect. However, we have accepted that an honest mistake was made and that we should carry on and take evidence.

**The Convener:** Mr Wallace, can we please keep to discussion of the matter in hand?

**Mr Jim Wallace (Orkney) (LD):** I had not seen the e-mail the last time we discussed the issue, and when I saw it, my initial reaction was, “Is that it? What is all the fuss about? It is making a mountain out of a molehill.”

The first paragraph is not particularly well worded but, as David Wilson explains in his letter to you, the e-mail was part of the process of open communication between the Scottish Fishermen’s Federation and other stakeholders. Phil Gallie overeggs the pudding when he suggests that somehow the Executive was trying to shift Whitehall in one direction or another. There is nothing in the e-mail that is meant to stop Ben Bradshaw or any other minister from giving evidence. The e-mail says,

“We and Defra are considering.”

David Wilson’s letter says:

“SEERAD officials were and remain very clear that it is up to Whitehall and Westminster to decide how to respond to the Committee’s invitation.”

No doubt that is what Whitehall and Westminster will do. We would be very surprised if there were not some communication between the relevant departments north and south of the border, but the e-mail does not indicate that there was any attempt to shift Whitehall in one particular

direction. The sooner we move on and hear the petitioners' case, the better.

**Bruce Crawford (Mid Scotland and Fife) (SNP):** First of all, I am a bit uncomfortable about naming officials in this process, so I do not intend to get involved in any of that. I also leave aside the previous arguments that have taken place in the committee, to which I was not party. I heard what Dennis Canavan and Phil Gallie said about it not being an SNP political move; of course, the SNP is never political but there are occasions when we would expect such exchanges to be political.

What is a bit more worrying is the official's concern in the e-mail about blurring the lines of accountability between the Department for Environment, Food and Rural Affairs and the Holyrood committee. There is actually a blurring of the lines around what an official and a minister should be doing. In a political context, it would be entirely appropriate for a minister to speak to an outside organisation to try to discourage the idea that a DEFRA minister should appear before the committee. However, regardless of whom the e-mail is going to, I am not sure that it is entirely appropriate for an official to argue that DEFRA should not attend a committee; to do so has nothing to do with an official and their job. Therefore, there is a cultural issue to do with what civil servants are and are not asked to do. There has been a blurring of the lines, but I do not know whether it is worthy of any further action.

A suggested course of action might be to drop a note to the minister saying that we accept that political things do go on but we do not expect civil servants to be involved in them. I would entirely encourage opening up the lines of communication between officials and the Scottish Fishermen's Federation in those circumstances. The passing on of information is important, but an official should not take a political position which, in effect, is what was beginning to happen during the exchange in question, and that concerns me.

**Mr Charlie Gordon (Glasgow Cathcart) (Lab):** The question is whether there is something fishy about the e-mail.

**The Convener:** Somebody had to say it.

**Mr Gordon:** Members have tried to get to the merits of the e-mail, but to me it shows a civil servant who has not quite grasped what the politicians are up to—long may that continue.

Convener, I support you in your desire to draw a line under the past in respect of the transient member—let us call him that—of the committee. However, I want to respond to what Phil Gallie and Dennis Canavan have said, as they have been a bit disingenuous. Although I did not approach you or anyone, I was angry when, shortly after the committee meeting, Richard Lochhead issued a

press release drawing attention to the decision and naming several MSPs on the committee—including me—who, in his view, had voted the wrong way. Being a politician, I assumed that that had something to do with the Moray by-election for which he was the SNP candidate, although perhaps I am now being disingenuous.

If people think that this civil servant has crossed the line from the professional into the political arena, the Presiding Officer has made it plain that it is in the hands of members to draw the matter to the attention of Mr Elvidge. I do not think that the committee should associate itself with such a move; we should merely note the position.

**The Convener:** Dennis Canavan and Phil Gallie will be the last two members to speak on this before we wrap the discussion up, as time is getting on.

**Dennis Canavan:** I have three quick points to make. First, I do not think that the committee should do anything that could damage communication between the Executive and the Scottish Fishermen's Federation. I would like that communication to continue. However, I do not think that there should be political spin in the communications that are sent from Executive civil servants to organisations such as the Scottish Fishermen's Federation.

Secondly, I would not like us to get involved in a witch hunt of Barbara Strathern. If she reads the *Official Report* of the meeting, she will perhaps, on reflection, agree that her choice of words was indiscreet to say the least.

Thirdly, could we politely ask the Scottish Executive what communications it has had with DEFRA concerning our request for a UK Government minister to give evidence to the committee? I would be concerned if a similar e-mail was sent from the Executive to DEFRA with a similar political spin. The clear implication would be that it was an SNP trick that the minister should not fall for and that he should not bother coming to give evidence to the committee. Can we politely ask for copies of all the communications from the Executive to DEFRA—or to Douglas Alexander's office—concerning our request for a UK Government minister to give evidence to us?

**The Convener:** Okay. We have that on the table.

**Phil Gallie:** It would be interesting to see the documents that Dennis Canavan mentioned in his last comment. In analysing the e-mail, I acknowledge that there is nothing in it that says that the Executive had been approached; there is a suggestion that it might be helpful for DEFRA to see the Executive's lines. What were the lines for? Were the lines to inform the DEFRA minister? It



was the Minister of State for Europe whom we wanted to talk to.

I go along with what John Home Robertson said. The involvement of the SFF and other fishery bodies is good if relations can be built up between the Executive and others. I was at the Clyde Fishermen's Association lunch on Saturday at which an Executive official from Ross Finnie's department was present and made a major speech. That is fine. Those are good lines. However, what I expect from Executive officials is accuracy all the way. I feel that the e-mail did not present an accurate account of what had happened and what should be happening.

I feel strongly that the committee's work should not be interfered with by ministers. They should express an opinion if we have invited someone to give evidence and that individual goes back to them with a query, but it should not be the other way about. That is a point of principle on which every member of the committee should agree.

Other than that, I am happy to go along with Dennis Canavan's suggestion. The last thing that I want is a witch hunt, but I do want lessons to be learned. If ministers are made aware that the committee is less than happy about what has happened, I will be happy with that. I am sure that they will get the message around their departments and that such a thing will not happen again.

**Mr Wallace:** Phil Gallie said one thing that is not accurate. I know that he would not want to mislead the committee, but he implied—or perhaps expressly said—that the e-mail, which says

"I thought it might be helpful for you to see our lines on the issue",

was sent to DEFRA. The e-mail was sent to the Scottish Fishermen's Federation and not to DEFRA.

**Phil Gallie:** No, sorry. What I said is that the comment,

"I thought it might be helpful for you to see our lines on the issue"

suggested to me that those lines had gone further than simply being communicated to the SFF. I said that there was a suggestion. I did not say that that had happened. I suggest that, if Dennis Canavan's request is complied with, the question will be answered once and for all.

**The Convener:** We have been around the houses on the matter. I have been quiet; I sat back and listened, as a good convener should. However, there is something that no one has mentioned but which bothered me. I think that it is the thing that bothered me the most. Again, it is a suggestion and it is about a way of reading things. Point 5 in the Executive's response states:

"The sending of the e-mail to the SFF was in line with the Executive's established practice of sharing information openly with key stakeholders."

That is fine. I do not think that anyone has a problem with that, but I do have a problem with the culture that exists within the Executive if it was thought acceptable for phrases such as

"In a political move by the SNP",

the Tories or whoever to be in communications. I feel strongly that Executive officials should be above making such comments to people outwith the organisation.

I would like to ask the Executive to confirm that it is not part of its

"established practice of sharing information openly with key stakeholders"

for officials to give opinions on why things were done or to be concerned with how narrow a vote was. A decision of the committee, regardless of whether the vote is unanimous or is decided by the convener's casting vote, is a decision of the committee. I would like the Executive to confirm, at ministerial level, that it is not part of the culture of the organisation to encourage political statements from officials.

**Irene Oldfather:** I think that the letter from David Wilson does exactly that. The final sentence of the note is:

"It was in no way intended to interfere with the business of the Parliament."

It is clear that there was no intention to interfere with the work of the committee or the Parliament.

**The Convener:** Unintentional behaviour can sometimes interfere with things.

**Mr Wallace:** Convener, I think that we have been round the houses on the matter. Everyone has said at one stage or another that the important point is, one day, to get down to dealing with the merits of the petition. I suggest that we move on to the next item of business.

**The Convener:** We still have on the table Mr Canavan's suggestion that we request information from the Executive about what was sent to DEFRA.

**John Home Robertson:** Can I put a counter-proposal, in that case? Frankly, we have flogged this thing to death. There is a risk that this could jeopardise candid dialogue between stakeholders and have a detrimental effect on the behaviour of civil servants, who are trying to operate open government. Everyone has said what they have said. I do not want to make a meal out of the matter. To continue the discussion by having further correspondence would not serve a useful purpose.

**The Convener:** Mr Canavan, do you wish to make a formal proposition?

**Dennis Canavan:** I would still like to pursue the aspect that I mentioned and to put in a polite request to see the communications between the Scottish Executive and DEFRA.

**The Convener:** Is there a seconder for that?

**Phil Gallie:** I second it.

**The Convener:** Is there a counter-proposal?

**Irene Oldfather:** I think that Jim Wallace has already moved that we go on to the next item of business.

14:30

**The Convener:** Mr Canavan's proposal was on the table before that was moved, so I ask that we wrap this up quickly and then immediately move on to the next item of business.

**Mr Wallace:** Is there to be a vote on Mr Canavan's proposal?

**The Convener:** Mr Home Robertson has already said that he wishes to make a counter-proposal.

**John Home Robertson:** I just want to vote against his proposal.

**The Convener:** The question is, that Mr Canavan's proposal be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

#### FOR

Canavan, Dennis (Falkirk West) (Ind)  
Crawford, Bruce (Mid Scotland and Fife) (SNP)  
Fabiani, Linda (Central Scotland) (SNP)  
Gallie, Phil (South of Scotland) (Con)

#### AGAINST

Gordon, Mr Charlie (Glasgow Cathcart) (Lab)  
Home Robertson, John (East Lothian) (Lab)  
Jackson, Gordon (Glasgow Govan) (Lab)  
Oldfather, Irene (Cunninghame South) (Lab)  
Wallace, Mr Jim (Orkney) (LD)

**The Convener:** The result of the division is: For 4, Against 5, Abstentions 0. Therefore it is agreed that we will take no further action on the matter.

**Irene Oldfather:** I am a little bit concerned that the committee has started to get bogged down in voting on everything. For a considerable time, we tried to reach a consensus on matters and to move forwards but, now, we tend to vote on the minutiae of what we are going to do next, such as writing letters. That is not in the committee's interest. We have taken a vote today and the matter is decided, but I hope that we can move forward more constructively in future, because we have always worked towards consensus and

members have always had the opportunity to have their say. We can go on having votes ad infinitum, but that will not further the good working that the committee has had in the past.

**The Convener:** Ms Oldfather's comments will be noted. It is up to individual committee members to decide how they want to proceed as members of the committee.

**Phil Gallie:** Convener—

**The Convener:** No, Mr Gallie, I will not take any more comments, because I promised Mr Wallace that we would move on immediately to the next item of business and I will not break my promise to him.

## Scottish Executive International Development Policy

14:32

**The Convener:** We move on to the second item of business. I apologise to Patricia Ferguson, Minister for Tourism, Culture and Sport: the first item took longer than anyone expected. I welcome her back to the committee to discuss the Executive's international development policy. I understand that the minister appeared before the committee in March last year—that must have been when all the consensual committee stuff was going on, before I was convener—and we welcome the opportunity to hear of progress since then.

I was going to ask the minister to introduce her team, but she has only John Henderson with her. I invite her to make some opening remarks.

**The Minister for Tourism, Culture and Sport (Patricia Ferguson):** Mr Henderson is the head of our international division.

I thank the committee for inviting me along this afternoon. I am delighted to have the opportunity to speak to the committee about the progress of our international development policy.

The committee has previously heard evidence on the outcome of the G8 summit and the Executive's international strategy, of which the international development policy is a key component. No doubt, evidence from each of those evidence-taking sessions will be relevant in informing the committee today.

It is now just over a year since the international development policy was published and, in that year, a great deal happened. I mentioned the G8, which is probably as good a place as any to start. The achievements of the make poverty history campaign and the G8 summit at Gleneagles highlighted the needs of the world's poor and mobilised ordinary Scots as never before. The dreadful consequences of the boxing day tsunami, the continuing food crises in Africa and the Asian earthquake reinforced the need for Scotland, as a prosperous nation, to continue to look outwards and play a part in tackling global inequality.

Our policy is still young, but it has already lived through a great deal. It is still developing and we are still identifying the areas where Scotland can make the biggest difference, but the three main aims of the policy are to assist the exchange of skills and experience between Scotland and developing countries through the broad-based development of non-governmental organisations; to help those who take a lead in mobilising Scotland's response at times of international crisis;

and to consider actively the positive impact of our policies on the developing world.

Within the policy, we have prioritised education, health and civil society development as areas where Scotland can add the greatest value, and we have prioritised sub-Saharan Africa, particularly Malawi, as a key geographical area to target.

Since the co-operation agreement was signed in November, we have made good progress in strengthening our relationship with Malawi. Indeed, I am delighted to say that, later this month, I will visit Malawi to attend a meeting of the joint commission that has been established to oversee the agreement's implementation and to agree the way forward.

We are also considering a large number of bids for the second round of the international development fund. I was going to say that we received a record number of bids but, given that this is only the second round, such language would be slightly excessive. In any case, it is clear that Scotland has a huge amount of skill and knowledge to offer.

I do not want to say too much about mechanisms, although I will cover them if members so wish. As our relationship with Malawi develops, we see more clearly where our input can make the biggest difference and which areas should be prioritised for the future. In the past, we tried to identify areas where our policies could make a difference and have a positive impact on the developing world, but common themes are now beginning to emerge and we are starting to see how issues such as fair trade fit more closely with our priorities in Malawi.

I realise that the international development policy document is quite broad and that members will want to cover a range of issues this afternoon. With your permission, convener, I will stop there and give the committee a suitable opportunity to ask questions.

**The Convener:** Thank you very much, minister. Who is first?

**John Home Robertson:** On a point of order, convener. I should have said at the outset that I have recently been appointed to the management committee of Edinburgh Direct Aid, which obviously has an interest in these matters.

**The Convener:** You are going pretty wild with points of order this afternoon, Mr Home Robertson. Do you have any more up your sleeve?

**John Home Robertson:** If you would prefer me not to declare interests, convener, I will not do so.

**Dennis Canavan:** There is general agreement in the Parliament that the Executive's—and, indeed, the Parliament's—decision to contribute to development in Malawi is a good move. However, reports at the weekend claimed that President Mutharika of Malawi used European Union funding to build a road that he then named after Zimbabwean president Robert Mugabe. There has been justifiable outrage over the use of development funds to honour a ruthless dictator such as Mugabe. Indeed, even before that incident, other questions had been raised about President Mutharika.

Nevertheless, will the minister assure the committee that the Scottish Executive will continue to help the people of Malawi? Does she agree that, if a decision were ever reached not to channel funds through the Government of Malawi, it would be perfectly possible to channel a lot of funding through the NGOs that operate very successfully in the country?

**Patricia Ferguson:** I hope that members take this as read, but it is worth repeating that the Scottish ministers share the grave concerns that have been expressed on this matter and condemn Zimbabwe's human rights record under President Mugabe. We have no truck with any of his policies.

Dennis Canavan's point is valid. We have been aware of the issue since we began to engage with Malawi and, as a result, our assistance is structured so that the money does not go directly to any Government source but is channelled through NGOs to projects on the ground. As Mr Canavan has rightly pointed out, our focus is on the ordinary people of Malawi, who so greatly need our assistance, and our approach is likely to remain the same for the foreseeable future.

**Bruce Crawford:** Did the paper that was submitted to us on the extra budget come from the Executive?

**The Convener:** Yes.

**Bruce Crawford:** It is useful.

I thank the minister for coming to the meeting and for her contribution. I acknowledge that policies are still being developed, but what has happened so far is to be greatly encouraged. The three areas that you identified, minister, are the areas where most sensible people would start, given that the policy is embryonic. I am encouraged by what is going on.

The one area that I do not understand fully, even though you have provided extra figures, is the budget. Our paper on the policy states that £3 million has been made available for 2006-07 and, I think, that another £3 million was provided for 2005-06, but the figure from the Executive is £5.5 million. That might be explained by the figures

being rounded up or by something else. I just want to ensure that I understand exactly what is being spent in each year.

The budget lies in the portfolio of the Minister for Finance and Public Service Reform, but responsibility for the policy lies with the Minister for Tourism, Culture and Sport, if I understand correctly. How will the process work, given those lines of responsibility?

**Patricia Ferguson:** I will deal with the last question first. It is important to acknowledge that the Executive does not work in silos. Ministers talk to one another a great deal and we work across portfolios to maximise the impact of budgets. That is particularly important in my portfolio; I work closely with my colleagues throughout the Executive on the more mainstream areas of my portfolio all the time. In this case, I am working closely with my colleagues in health and education, who support many of our initiatives.

The Minister for Finance and Public Service Reform is aware of the issues that we face. Our budget has been identified and it is fair to say that I make the decisions, but the finance minister has oversight of them. That does not necessarily mean that he always comments on them or seeks more information, although he may do so from time to time. The budget is looked after largely within my area of responsibility.

The funding for the international development budget is £3 million per annum over the three-year period that we are talking about. The breakdown that you have is the budget from 2005 to 2008, and it shows the moneys that have been identified and committed at the moment. I hope that that explains to Mr Crawford why it looks as though there might be a gap. There is not a gap; the paper shows the actual expenditure against the budget.

**Bruce Crawford:** That explanation is fine. I am glad that you are the person with responsibility for the budget.

On the budget process, every year there is, in effect, a bidding process for what each department will spend. The Minister for Finance and Public Service Reform has the final say in that. Will you make the bid for the money to the finance minister or does the finance minister have to make the bid to himself?

**Patricia Ferguson:** The budget has been agreed as £3 million for each year of the three-year period. That is the period of the spending review, so there is no need to go back. The money is signed off.

**Bruce Crawford:** So the £3 million for the year after the Scottish Parliament elections will still be secure.

**Patricia Ferguson:** It is secure from 2005-06 to 2008.

**Bruce Crawford:** The amount for international volunteering is £215,000. I would like an explanation of how the money will be used. Immediately after the tsunami, a lot of young people came to me to ask whether funding was available to allow them to help in the affected part of the world. Perhaps that pot of money was not available at the time. Using it to promote that sort of activity would encourage young Scots. Perhaps it is for something else. I need to understand that.

14:45

**Patricia Ferguson:** I take Mr Crawford's point. I think that we all wanted to do something immediately after the tsunami, but it is important to remember that people who have the best intentions are not necessarily the best people to land on the doorsteps of those who have all sorts of problems. There is not a pot of money for which individual young people or older people can bid to enable them to assist certain areas of the world. The money is available to assist, for example, the scheme that we work on in collaboration with Voluntary Service Overseas, which is acknowledged worldwide as an expert in the area. Under that scheme, we assist volunteers with maintaining their pension contributions, for example, while they work in projects that the VSO manages in other countries. Money is not specifically given out to individuals who want to go abroad. However, we have a separate health fund to which people with the required expertise can bid. We do not encourage volunteering in general in the sense that Mr Crawford is talking about, but we encourage organisations with a track record of providing volunteers to be part of what we are doing.

**The Convener:** I will pick up on volunteering if no other member has a question on it. Is ProjectScotland involved in volunteering in Malawi or in other places? Is there a link between ProjectScotland volunteering and international volunteering under the policy that we are discussing?

You said that the funds for international volunteering could be used to cover a person's pension payments if they were doing voluntary work abroad under a VSO scheme, for example. People who do voluntary work abroad during gap years—which can greatly benefit anyone—tend to have safe and secure environments to which they can return. It is easier for people like that to go away and do something if they can come back to the cushion they left behind. I have often found it irksome that the young people in particular who would benefit most from such work and for whom it could be a life-changing experience might have

nothing that they can return to. No one is to blame for that; it is simply how things have developed. It might be said that such people have virtually nothing to leave, but it might be all they have—they might have a private rented flat or a council flat and nothing else. Have you considered maintaining such people so that housing benefit, for example, is paid while they are away doing voluntary work? I know that that is the responsibility of the UK Government, but covering such things would be a huge benefit to many people whom I have met in my constituency and beyond.

**Patricia Ferguson:** I will deal with ProjectScotland first. It is not currently involved in the way that you mention, but it is still early days for it, and it is working to establish itself. I would not be surprised if it became involved at a later stage as its working practices and our policy develop.

We have worked with VSO and other NGOs because they often require people with a degree of skill. Well-qualified people with a background in health, for example, might be required. Obstetric and gynaecological skills are the obvious ones that are required. In Malawi, one in 25 women dies in childbirth. The people who are sought are often well-qualified people with stable careers who want to progress their careers by volunteering in that way. That focus might change in the longer term, but that is our current focus.

**John Home Robertson:** I endorse what you have just said. As someone who worked as a volunteer in Bosnia some years ago, I find it embarrassing that unemployed people who do voluntary work overseas in quite dangerous circumstances cannot continue to claim benefit to pay their rent and so on because they are not considered to be available for work. However, there is not a lot that you can do about that.

I move on to the provision of assistance during times of international crisis. Paragraph (B)(3) of the Executive's policy, which is on page 7 and is entitled "Emergency Response—Support 'on the ground'" states:

"This is co-ordinated through DEC"—

the Disasters Emergency Committee—

"on the basis that ... only the largest NGOs have the capacity and coverage to deal with large-scale crisis situations."

There is a perception that the DEC is an umbrella organisation that can do anything anywhere, but that was not my experience in Kashmir recently, when I was with a group that identified emergency work that needed to be done. I should say that I have already declared my interest. I got in touch with the DEC to find out whether it could help with

the shelter work that the group was doing, but was told:

“Unfortunately the DEC is not in a position to help fund the Edinburgh Direct Aid project as we are not a grant-making body. We raise funds on behalf of our member agencies”.

That demonstrates that the DEC is not quite an umbrella organisation.

Is there any scope for flexibility in the Executive's small programme? If Scottish voluntary organisations or non-governmental organisations that are not part of the DEC come up with bright ideas, might you be able to assist them under the auspices of your programme? I appreciate that the programme is limited and that any assistance would have to be carefully targeted, but perhaps the Executive could refresh parts that the DEC cannot or will not reach.

**Patricia Ferguson:** It is fair to say that in international crises the scale of the problems is such that, by and large, matters need to be progressed by the Department for International Development and the DEC. That is certainly the feedback that we get from the various stakeholders to whom we talk. However, as you will be aware, we opened up the last round of funding to organisations that work in the earthquake area, for a number of reasons. We saw that they had a pressing need for support and we recognised the strong links that exist between people in this country and in many of the affected areas. People on our own doorsteps lost relatives and suffered greatly as a result of the earthquake. We tried to be flexible by opening up the opportunity to obtain funding to organisations that were working in the way that you describe. I hope that we have succeeded in being flexible, but it is important that we focus on areas in which we can achieve most with the pot of money that we have. That has been our ethos.

**Mr Wallace:** I want to follow up John Home Robertson's question about the provision of assistance during times of international crisis. The international development policy says that, following the tsunami disaster, a working group was set up to consider what lessons could be learned from the response to the crisis. A number of areas of investigation are listed. Has that working group made progress? Have lessons been learned and, if so, were any of them implemented in the response to the Kashmir earthquake?

**Patricia Ferguson:** It is ironic—and, at the time, it was quite frustrating—that just before Christmas in the year in which the tsunami broke on boxing day we identified the response to international crises as an area for consideration. It was frustrating that the first meeting of a working group was due to take place on 14 January. The

situation emphasised to us that there were lessons to be learned in times of international crisis. One of the lessons that we learned was that NGOs in Scotland are heavily involved in such situations whenever and wherever it is necessary and that they have a great deal of expertise. Our job is to support their efforts—I know that that is the job they want us to do.

After the tsunami, a number of NGOs were concerned that staff who were involved in important projects in other parts of the world would be diverted from that work to staff telephones in call centres so that they could take offers of money and other things from the general public. To avoid that, we seconded Scottish Executive staff to those organisations to ensure that their people—who are much more expert than anyone we could supply—could deal with other issues that still needed to be dealt with and not forgotten about at that time of international crisis.

One lesson that we have learned is the need to listen to organisations at such times, to offer our support and to be ready and willing to give that support. By and large, organisations look for support that enables them to respond to an international crisis and not be diverted from their core work and programmes. Unfortunately, as we know only too well, people are suffering throughout the world. That has been the main lesson from that work.

**Mr Wallace:** Is that group still meeting?

**Patricia Ferguson:** Not in the same format, but various other stakeholder meetings are taking place.

**Mr Wallace:** You said earlier that money for Malawi does not go to the Government there, but goes to support projects directly. To put some colour in the picture for the committee, can you give us examples of projects that are currently supported?

**Patricia Ferguson:** There may have been a little information on that in our paper. We support a large number of projects in Malawi, although we are not the sole supporters of some of them. I can provide the committee with a full breakdown of the projects, which are diverse. For example, they include a project that enables Malawi's culture to be celebrated at this year's St Magnus festival; a project on the sustainable use of aquatic resources for poverty reduction, which is being done with the University of Stirling; projects that reduce maternal and infant mortality; and feeding programmes. A wide range of projects is being assisted. Although we concentrate on certain themes, from time to time good projects on other issues seek funding and we are happy to help them.

**Mr Wallace:** That is helpful. I did not ask the question deliberately to elicit a reference to the St Magnus festival, but all publicity is good publicity.

I have one more question. I have seen it reported occasionally that the fact that the Scottish Executive is proactive in international development sometimes causes irritation at Westminster. However, when I was in the minister's position I never found that to be the case—in fact, I found the opposite. Will the minister comment on current relations with the DFID and how it views the Scottish Executive's international development activities?

**Patricia Ferguson:** Our relationship with the DFID has been nothing but positive and extremely friendly. Our relationship with the Government is not reserved to that with the DFID. Colleagues from the Parliament who have visited Malawi will know that British governmental operations on the ground there have been supportive and have helped to put together and facilitate programmes. The relationships are working well. Hilary Benn will address members of the Parliament in the evening of 22 June, which might provide an opportunity for interested members to ask similar questions of him. I am sure that he will echo what I have said, because the relationships are good and supportive.

**The Convener:** The minister mentioned some interesting projects that the international development fund helps. Could a list of all the projects be circulated to members, as we are all interested in that?

**Patricia Ferguson:** Certainly. The list of projects is on our website, but I am happy to provide it.

**The Convener:** Right. Perhaps you do not have to do the work, then—we can get Alasdair Rankin to do it instead. You can fight it out between you.

**Patricia Ferguson:** It is not a problem. We have copies that we can give to the clerk.

**Phil Gallie:** It is unfortunate that Irene Oldfather has left the meeting, because when we discuss issues that deserve consensus, consensus breaks out in the committee. The issue is one on which we all feel strongly and have similar feelings. The minister and the Executive have got the involvement in Malawi absolutely right. In global terms, we are talking about relatively small amounts of money from the Scottish Executive, but it is enough to make a difference. The important point is that by concentrating we can make a difference.

On the subject of making a difference, I note from your paper that you intend to assess sustainable outcomes. How will you do that, without involving masses of bureaucracy? How will

you determine outcomes and report them to the Parliament and the committee?

15:00

**Patricia Ferguson:** I will ask Mr Henderson to talk in a bit more detail about the mechanisms. We have been concerned to ensure that we do not get into a situation where projects rely on us all the time for money. The money that we give can be helpful to them, but there must be other involvement in order to make them happen. We have been concerned to ensure that, when money goes in, there is a mechanism on the ground that delivers, and that the organisation has thought about what it will do if the funding comes to an end. The last thing that we want is to see people left in the lurch. We are concerned about and are aware of that issue. We require regular feedback, both on financial outputs and on actual outputs, from the organisations to which we give grants or funding. We try to ensure that we have that information and, if necessary, can react to any failure or difficulty that occurs. No such failure has happened yet.

**John Henderson (Scottish Executive Finance and Central Services Department):** Much work is being done on health training and teaching. That is a good example, because we can measure the throughput of people through the system. However, for the sake of sustainability, it is important that the training augments and is part of the policy of the Government of Malawi. It should not be just in-and-out training; it should form part of the Government's programme to build capacity in the country.

**Phil Gallie:** That gives some cause for concern. In your response to Dennis Canavan, you said that you would try to ensure that the Government of Malawi was not overinvolved in the way in which cash was spent. However, if money is going into Government programmes, that suggests that it is coming under the Government's control. Is that the case?

**Patricia Ferguson:** Not at all. We are concerned not to set up alternative projects to those that the Government of Malawi funds but to ensure that they are in line with its overall policy. This is a bad example, but if the Government of Malawi prioritised the training of midwives in an area, we would want to work with it on that, rather than on the training of physiotherapists. We want to ensure that we get the maximum benefit from our involvement and that we do not do things that run completely counter to what is happening in Malawi. People in Malawi understand their culture and needs much better than we ever can. We need to assist them, rather than to force or encourage them to do what we think would be the right thing to do.

**Phil Gallie:** Dennis Canavan mentioned Mr Mugabe and his relations with Malawi. Over many years, Scotland has had links with the people of Zimbabwe. Is there any way that, through our special links with Malawi, Scotland could influence the horrendous situation in Zimbabwe for some people?

**Patricia Ferguson:** That issue is best dealt with by our colleagues at Westminster, who have responsibility for those relationships and the mechanisms through which influence can be brought to bear. Anything that we could do would be marginal. I would be anxious about our making life more difficult for people by interfering or getting involved. That is not to say that we are not aware of the situation or that we are unwilling to do what we can, where we can. However, we must accept the restrictions that rightly apply to us in the area and work to support colleagues elsewhere on the issues.

**Phil Gallie:** Mr McConnell seems to have special links with the Government of Malawi. It is always helpful to have someone pushing away at a closed door.

**Patricia Ferguson:** We meet politicians from Malawi on a regular basis and exchange information and views on all sorts of issues.

**The Convener:** I am aware that we are keeping you over your allotted time because an earlier item ran on. Is it okay with you if we carry on for a little while?

**Patricia Ferguson:** Yes.

**Dennis Canavan:** I have a quick point that relates to Phil Gallie's question. A co-operation agreement was signed between the Executive and the Government of Malawi, which outlined priority areas such as civic governance and society, health, education and sustainable economic development. Is there any joint committee consisting of representatives of the Executive and of the Malawi Government that is monitoring progress on those issues? Is it possible to raise human rights matters on that committee, or is the agreement focused exclusively on development aid?

**Patricia Ferguson:** The agreement was signed in November, roughly six months ago, and my visit coincides with the six-month anniversary of that signing. Part of my purpose in going there is to meet colleagues in Malawi to review the co-operation agreement and the progress that has been made and to see how it will progress over the next six months. We hope that colleagues from Malawi will come here in six months' time. Further reviews of that kind will take place at regular intervals wherever it is possible to do that. At those meetings, a range of issues will come up, including civic governance and society. We will

discuss those issues openly and frankly with our colleagues from Malawi.

**The Convener:** I would like to come down to the local level with this and ask about something that I have asked you about before but which is still bothering me—the involvement of local authorities and organisations at the local level, through our communities, with the Malawi initiative. I feel strongly that we will be seen as truly partnering Malawi in whatever way we can only if everybody recognises that that is what we are trying to do. There are benefits to be gained on both sides.

The town of Blantyre, which lies within the area that I represent, seems to have an obvious linkage with Blantyre in Malawi because of the history of David Livingstone. However, no special initiative is going on between the Blantyres because South Lanarkshire Council has never applied for any special funding through a concept note, which is what the Executive requests from local authorities for that kind of thing. The last time that I asked about the involvement of local authorities, no concept notes had been received from any local authorities. I found that shocking, as it is local authorities that deal with schools and education, which are an important element of any international development policy. How is that work going? What is the Executive doing to encourage local authorities to get involved at all levels? Are there discussions with the Convention of Scottish Local Authorities, on behalf of most of the local authorities in Scotland? Is COSLA represented anywhere?

**Patricia Ferguson:** Most of the work that is being done by local authorities is being done through the Scotland Malawi Partnership, which is one of the stakeholders that we work with. A number of local authorities are active in the partnership, which seems to have been the conduit for their work in Malawi.

We have had discussions with local authorities about secondments and that kind of thing, and we are working with them on that. COSLA was interested in the work that was being undertaken around the tsunami area and had some ideas about what it might do. I do not think that that has come to anything as yet, although it may well do.

We are always happy to encourage anyone to get involved in the work; it is not exclusive to us. Local authorities must judge what it is appropriate for them to do. A large number of schools are now twinned with and have a special relationship with schools in Malawi, and work is going on at local authority level to take that forward. In other areas, work is being done in areas in which local authorities have a particular expertise or something that they want to be involved in. Work is going on. The fact that local authorities have not applied for any of our funding perhaps means that



the money is coming from elsewhere, which allows us to focus our money somewhere else. There is nothing to prevent a local authority from applying to get involved. We would encourage that and work with local authorities on that.

**John Home Robertson:** Going back to the final budget, which you have already dealt with in your reply to Bruce Crawford, I see from the paper that it is your intention to have an advisory group to make recommendations to ministers on strategic matters. Has that group been established and, if so, who is on it?

**Patricia Ferguson:** We have a group, and John Henderson has just handed me a note of the members—I would never remember them all otherwise. They are Dr Andrew Goudie, a senior official in the Scottish Executive; Professor Jim Love, pro vice-principal at the University of Strathclyde and a development economist; Dr Neil Thin, a senior lecturer in international development; Mrs Alison Davies, former chair of the Network of International Development Organisations in Scotland and former director of Save the Children Scotland; Sheila Lumsden, deputy director of the British Council Scotland; Guy Mustard of the Department for International Development; Dr Dorothy Logie, a consultant microbiologist; Josephine Munthali, director of the child support project; and Des McNulty, convener of the cross-party international development group of the Scottish Parliament.

**John Home Robertson:** I am glad that you mentioned him. It is useful to have that list on the record. It sounds like a big organisation, so it might be difficult to reach consensus.

**Patricia Ferguson:** Let us hope that it manages to do so.

**John Home Robertson:** There is another point that I wanted to touch on. I am not entirely comfortable with the juxtaposition of disasters with Scottish sport and Scottish culture.

**Patricia Ferguson:** Neither am I.

**John Home Robertson:** Well, I think that you are because, if I may say so, you are dealing with the responsibilities of your job very well indeed. Has any thought been given to any change to the title of your department or office to take account of the fact that that is an important part of your responsibilities?

**Patricia Ferguson:** I should clarify that I was responding directly to Mr Home Robertson's comment about the juxtaposition of disasters with tourism and sport and culture. It is not that I want to move that present responsibility to anyone else, or that I do not guard it jealously, as I do, but I have to tell members that I cover the historic environment, architecture and a number of other

things too, so I suspect that my title could be even longer than it currently is, and it is probably already long enough.

I hope that I have made a point of engaging as widely as possible with the stakeholders involved, so that they know whom they are dealing with and who is responsible. In the end, that probably matters more than what my title is. Although I accept that the change that you suggest would perhaps give the issue an added importance, I feel that its importance is derived from the fact that, although I might deal with such matters on a day-to-day basis, all my ministerial colleagues are firmly committed to that agenda and all contribute from their own areas in any way that they can; they are often good at making suggestions about other areas that we should be considering.

**The Convener:** John Home Robertson asked about the advisory group. I noticed that an issue that was previously raised by the committee—before I was a member, although there are a couple of current members who may remember it—was about whether the role of the European and External Relations Committee in the advisory group should be to act as an interface between the Scottish Executive and non-governmental organisations.

**Patricia Ferguson:** I am not sure that we would want to have an interface with NGOs—we would prefer to meet them face to face rather than doing it through a third party. However, I am more than happy to talk at any time to the committee, formally or informally, or to individual members about any issue relating to that. The more often we have the opportunity to discuss such issues and to air them, the better. We also work closely with the cross-party international development group and with the cross-party group on Malawi. I believe that a number of members of the committee are involved in one or both of those groups, so it is fair to say that there is already a fair degree of involvement, and I hope that we can support that and encourage it to flourish. At the moment, however, we are not looking to change the make-up of the international development expert group.

**The Convener:** I can see that, so you would not envisage the committee being directly involved with the advisory group. How will the meetings of the advisory group be reported? Will information be available on the website, or could it be sent to the committee regularly?

**Patricia Ferguson:** It is an expert group rather than a development group.

**The Convener:** What are you trying to say, minister?

**Patricia Ferguson:** The group would give me advice on whether to support one project rather

than another, for example, so it is important that we have that kind of expertise and that it operates to provide advice to me on such areas. The result of the group's guidance and wisdom will be seen in the decisions that are made about funding.

**The Convener:** Thank you for that clarification. I take it that the remit of the group will be published, now that it is up and running, so that everybody is completely aware of what it is doing.

**Patricia Ferguson:** I am not sure whether it has already been published. If it has not, it will be.

**The Convener:** I thank the minister and Mr Henderson for their time.

**Patricia Ferguson:** I thank the committee for its support, which is much appreciated.

15:15

*Meeting suspended.*

15:20

*On resuming—*

## Work Programme

**The Convener:** The next item relates to the committee's work programme for the year. We have before us a briefing paper and terms of reference for a short inquiry on energy issues. The paper lists a number of areas that the committee could investigate, but we should bear in mind our other commitments, the deadline for consultation and how many evidence-taking sessions we will be able to hold, assuming that we do not decide to schedule extra meetings, which is something that we could do if the committee is particularly keen to investigate this issue further.

I suggest that we might consider an aspect of energy efficiency and renewables, or an aspect of renewables, and aim to pick out examples of best practice and policy development ideas. Obviously, the response could be wider than that. For example, we could include some good material from the Environment and Rural Development Committee's recent report on the biomass industry.

I invite members to comment on the paper and suggest items that we could include in the terms of reference.

Bruce Crawford seems to be desperate to contribute.

**Bruce Crawford:** It is just that I am always desperate, convener.

I am grateful for the terms of reference that are included in annex B. However, I find it hard to understand why, given that we are entering a wide-ranging discussion across the United Kingdom about our energy future—something that the European Commission is obviously interested in, as it is producing a green paper on the subject—we have airbrushed out the issue of nuclear power. Regardless of what side of the argument we might be on, we must accept that one of the most fundamental decisions that this country is going to face is whether to construct new nuclear reactors to produce civil nuclear power in the UK.

It could be argued that this issue is reserved to the UK Government and that, therefore, it should not be part of our discussion. However, as the Executive has a position on the matter—which is stated quite clearly in David Thompson's note of 12 January, which explains the partnership agreement—it would be remiss of us to fail to have an evidence-taking session on the nuclear issue. The evidence that we would gather about what lies beneath the Executive's policy and what decisions need to be taken would inform the debate at a

European Union level. We should involve ourselves in this issue.

I am tempted to say that the development of clean-coal technology is another issue that we should chuck into the inquiry, but I recognise the convener's point about the scale of the inquiry and the time available. However, it is tempting to consider that issue, given that Scotland has tremendous coal reserves. It would be particularly useful if we could involve ourselves in discussions on whether the carbon that emanates from power stations could be sequestered in redundant North sea oilfields. That could produce a net benefit because it would involve the extraction of greater resources.

Obviously, I am happy to hear the views of committee colleagues before we decide whether we need another vote.

**Phil Gallie:** The interesting suggestions that Bruce Crawford has made simply underline the magnitude of the task that the European Union faces. I must point out that no matter what view Scotland or the UK takes on nuclear energy, France will not be taken away from its nuclear industry, to which it is totally committed. We need to remember we are talking about a proposed EU strategy.

However, the fundamental argument for me is that energy is not an EU responsibility. I can understand why the Commission might want a strategy on sustainable energy as I can see some merit in nation states coming together to discuss that within the EU, but the Commission green paper suggests that the EU should speak with a common voice on energy. I believe that to be neither possible nor desirable, so I want to lay that down from the start.

**The Convener:** I do not think that we want to widen the inquiry into constitutional issues.

**Phil Gallie:** I compliment the clerks on the paper that they have put together. The paper demonstrates that any energy strategy must go down the line not only of electricity supply, which Bruce Crawford mentioned, but of air transport and the other issues that create a problem by using up the fuels to which we have access.

As a committee, we need to determine which issues we will concentrate on. I suspect that we should focus on issues such as energy supply, electricity production and the use of gas for heating given that those issues could pose a threat to Europe's competitiveness in future.

If our inquiry is to consider renewable energy, we will inevitably need to consider nuclear energy and other means of electricity generation. It would be stupid to avoid that. We would also need to consider issues such as transmission and the free

movement of products among European countries. That is a matter of real interest, given the current arguments over whether we should have a single European market in energy.

**The Convener:** Bruce Crawford has suggested that we either expand the inquiry's terms of reference or agree to bump out one of the other issues so that matters such as nuclear and clean coal can be included. Phil Gallie has suggested that our inquiry should be focused very much on energy supply issues connected with gas and electricity. Do other members have any comments?

**Mr Wallace:** It is clear from the clerk's paper that, as Phil Gallie pointed out, the danger is that we will have an inquiry that is so wide that we become the energy committee rather than the European and External Relations Committee. I was particularly brought up short when I read the suggestion that the call for evidence should ask for written submissions to be sent to us by 23 June, which is one week before the recess. The clerk's paper says:

"The consultation period for the Commission's Green Paper ends on 24<sup>th</sup> September 2006. The Committee will aim to finalise, submit and publish its submission within that timetable."

That will be a tall order if our inquiry goes too wide.

Having looked through the paper to consider how to narrow down the inquiry's remit—I am interested in most of the issues, so I would probably not be unhappy with whatever we decided on after our debate—I suggest that we consider energy efficiency as a discrete issue as that would enable us to get away from the arguments over generation. In particular, I note that, as part of the action plan on energy efficiency that the Commission is due to produce, a system of "white certificates" is being proposed. The clerk's paper suggests:

"The Committee could consider how effectively such a system could operate in Scotland."

An inquiry on that issue would be pretty focused. It might do something worth while, rather than touching on so many different issues that it fails to consider anything in detail.

**The Convener:** For information, I remind members that the Executive is to produce an energy efficiency plan as well. It might be worth while for the committee to judge whether the Executive is doing enough.

15:30

**Mr Gordon:** Phil Gallie is right—energy is a huge area. I also agree with Jim Wallace: if we end up talking about every aspect of it, there is a

danger that we will become an energy committee, get bogged down and not make a lot of progress.

Paragraph 6 of the paper outlines the six issues on which the European Commission thinks that action is necessary. Whether we focus on those or take up Jim Wallace's suggestion, we need to lay down some parameters to make our task manageable. However, the parameters must make sense. There is no point in being arbitrary and saying that we will consider one or two aspects of energy production but not the others.

I have an open mind, but perhaps we should consider the six areas that are mentioned in paragraph 6. That would at least have the merit of responding to the issues that the Commission identified. Phil Gallie is right—what the EU says about energy is not the last word—but, given that he is someone who supports market forces, I presume that he would like an internal market to be completed in electricity and gas.

As I said, we must try to define some parameters to make the task manageable.

**John Home Robertson:** Strictly speaking, the matter is one for our colleagues on the Environment and Rural Development Committee, but we have a European energy green paper, and rightly so. Security of energy supply is a prerequisite for stability in Europe. If there was a shortage of electricity in Europe, for example, that would give rise to all sorts of difficulties for industries, social unrest and so on.

Scotland is a significant energy exporter in terms of oil, electricity and so on, so energy is a significant part of our economy. I suppose that the big questions are whether we want that to continue and, if so, in what form. Some energy sources are going up, some are going down and some are flatlining. We certainly need to be better at energy efficiency and to have better insulation. We will probably use less coal in future; we are not producing as much of it now because there are no deep mines and people are rather hostile to opencasting. What will happen to our electricity generation industry? That matters a lot to me because my constituency contains old plant that will have to come out. Will it be replaced?

We could take a broad-brush approach and consider the scale of the main energy sectors in Scotland, such as oil and electricity. Would we be content for the electricity generation industry to be scaled down and for Scotland to become more dependent on imports instead of exports? Obviously, I have an opinion on that, but it is a strategic issue that the committee could usefully consider. If we went into the minutiae of the benefits of different types of renewable energy, we would be on a hiding to nothing, given the timescale.

**The Convener:** I think that there are two schools of thought in the committee. It seems to me that if we do what John Home Robertson suggests—consider energy supply and whether we should be a net exporter of energy—we would have to consider nuclear energy as well.

**John Home Robertson:** Yes, but in the broadest possible sense.

**The Convener:** Yes. That brings us back to what Phil Gallie and Bruce Crawford said about supply and about taking a broad view of the energy issue. I suspect that if we started considering that, it would grow like Topsy. We will have to be extremely tight if we do such a piece of work. I ask the committee again to bear in mind the constraints and the pressure that we are under in gathering evidence and holding committee meetings.

The other school of thought is that we should focus on something that the Executive is already considering, so that we can judge what it is doing as well as what is happening in Europe. I might be wrong, but it seems to me that public procurement in particular and energy efficiency trading might well be the subject of directives from Europe. There is a lot to consider. Bruce Crawford opened the discussion about widening the remit. Having heard the discussion, what do you think, Bruce?

**Bruce Crawford:** I was taken by the arguments that Jim Wallace made about the need to consider a more specific area. The EU wants to consider improving the sustainable energy mix at a strategic level, which I suppose is what John Home Robertson was referring to. We could contain an inquiry into that, which would make it worth while. The Commission wants to increase the use of clean and indigenous low-carbon energy sources. What does that mean for Scotland? Is that the direction that we should be going in? If so, is the best way to achieve that by having new nuclear power stations or using clean coal technology? That is one of the key areas for us to consider. I wonder whether we can boil it down enough to make an inquiry a worthwhile piece of work. I have to say that that will be pretty hard.

**The Convener:** That is my feeling.

**Bruce Crawford:** Given that something definitive is coming from the Executive, it might be more achievable and appropriate to do what Jim Wallace suggested. Can this committee ask the Environment and Rural Development Committee—or whichever is the appropriate committee—to examine the relevant pillar, given what the Commission is saying about the sustainable energy mix? That certainly needs to be done, but it might be more appropriate for another committee to do it.

**The Convener:** I was about to ask Dennis Canavan to play devil's advocate, given that he has not said anything yet.

**Dennis Canavan:** I have not said anything because I am sceptical about whether we will have the time to do justice to such a huge subject. If we decide to embark on an inquiry, we will have to slim down the proposed terms of reference, not broaden them out.

**The Convener:** Yes. Given what I am picking up from members, I suggest that we focus on energy efficiency and forget about renewables.

**Phil Gallie:** I go along with what members have said. We have now recognised the extent of the subject. We should analyse what is the most important thing, Europe-wise, for us to consider. Energy efficiency is certainly important, but so is security of supply and resources, which John Home Robertson mentioned. I remind everyone about the requirements of the Lisbon agenda; security of supply is a top priority.

Perhaps we could cope with analysing the availability of electricity, gas and biomass and assessing the potential for all those energy sources in the future. There is an awful lot of information that we could pull together in the short term. We could perhaps form opinions relatively quickly on the risk to future supply in all those areas. We all acknowledge that major problems with the gas supply lie ahead, but it might not be all that difficult to analyse what those problems are.

**The Convener:** Other committees, such as the Environment and Rural Development Committee, have considered a number of things. We would have to make ourselves aware of the work that has already been done before we launch into another inquiry. We have to decide today what the terms of reference for our inquiry are so that we can issue calls for evidence and meet our timescales.

**Bruce Crawford:** Phil Gallie is right, but, given the scale of that job, I am not sure we could do it justice and form an opinion that would contribute to the debate. Where would we start with the security of supply issue? Scotland produces seven times more gas than it needs. Where would we begin and end the argument?

It would take six months to a year for a proper inquiry to examine the details and get at what is really going on, particularly with regard to transcontinental issues and the Ukraine and so on. We would then have to apply that to Europe and to what Europe is trying to achieve by way of an internal market, as well as consider security of supply issues and common pricing. It is a massive exercise.

**Phil Gallie:** I accept that, but bearing in mind what Jim Wallace referred to as the tight timescale, if we analyse everybody's comments maybe we have already carried out part of the project, just by identifying the magnitude of what is being asked. Trying to consider the issue in the timescale would be totally irrational and illogical.

**John Home Robertson:** Could I try again?

**The Convener:** Why? Did you get it wrong last time?

**John Home Robertson:** Almost certainly. I want to get better focus this time.

I agree with colleagues that it is not possible to have a colossal, wide-scope inquiry into the relative merits of different sources of energy for transport, electricity and so on. However, within the framework of the green paper on self-sufficiency and where we are going on energy, the big issue is whether Scotland continues to be an exporter, whether we want to become self-sufficient or whether we would be happy to be net importers. That is a fair question to ask. We are a major net energy contributor to the United Kingdom and other parts of Europe. It would be a good idea to carry on doing that; others might think that it would be more appropriate to scale the whole industry down or that we should be self-sufficient. That is something to which we could usefully apply our minds, but if we try to assess different types of alternative energy and different types of conservation, we will get nowhere.

**The Convener:** There seems to be a choice between a short inquiry on the huge issues, which will be limited by the timescale, and focusing on a specific aspect such as energy efficiency or renewables. I am looking for agreement throughout the committee. No one feels strongly enough about the issue that they want to get into a real argument about it. Gordon Jackson has not said anything yet. Say something!

**Gordon Jackson (Glasgow Govan) (Lab):** I have no real expertise on the issue, but some of what has been suggested sounds unrealistic. If we try to do a huge inquiry, what we produce will not be worth tuppence. At the end of the day, it would go in a bin somewhere. Such an inquiry could focus on renewables or whatever, but what we really have to do is to pick a topic and consider it. Otherwise we will do nothing.

**Mr Gordon:** Convener, you mentioned energy efficiency and renewables. The committee papers mention the other area in which we have a free hand, which is climate change. Point 5.4 in paragraph 6 of the paper strikes the right balance.

**The Convener:** So we are talking about the energy efficiency and renewables aspects. The question is which to focus on.

**Mr Gordon:** It seems paradoxical that most aspects of the energy debate are reserved matters but that we have a free hand to talk about climate change.

**Bruce Crawford:** We should boil it down even further and do what Jim Wallace suggested. Renewables has been done to death. We could boil it down to energy efficiency—something that Scotland has badly needed to do for a long time. I wish we could do what John Home Robertson wants to do, because that is the job that really needs to be done, but we would be scratching the surface.

15:45

**The Convener:** I will go even further than that. Although I completely agree with Jim Wallace, I know that when you start something like this it just gets bigger and bigger.

I would like us to pursue the issue of energy efficiency, which might mean deleting certain paragraphs in the paper. After all, public procurement and energy efficiency trading will be important issues, because we have to know whether European directives will oblige us to carry out some of these things. Heating is an obvious cover-all heading for those two matters. I am not convinced that we should spend a lot of time on transport—indeed, we should ditch that element altogether—although I suppose that the issue of finance could be dealt with alongside energy efficiency trading and public procurement.

**Bruce Crawford:** Let me boil this issue down even more. Where are the big gains and where do we need to put the money?

**Dennis Canavan:** If we pursued the transport question, a certain parliamentary committee might feel that we were treading on its toes.

**Mr Wallace:** I was about to make a suggestion along the lines of what the convener proposed, because if we get involved in transport issues we will simply open things up again. As someone said—and as the paper makes clear—energy is not just about electricity generation, but the transport issue could well form the basis of a Local Government and Transport Committee inquiry. The convener's suggestion, which links with Charlie Gordon's comments, could focus our efforts. After all, a key priority area is tackling climate change, and the matters that we have concentrated on form a subset of that wider issue.

**The Convener:** They certainly do.

Have we reached a consensus?

**Mr Gordon:** I think that we have exhausted ourselves into a consensus.

**Bruce Crawford:** Why did you not make that proposal at the very beginning, convener? We could have avoided all this agony.

**The Convener:** If I had done so, you would have argued about it. You have to pick your moment, Bruce.

**Dennis Canavan:** Convener, can you repeat what we are supposed to have reached a consensus on?

**The Convener:** Mr Canavan is about to open up the argument again.

**Dennis Canavan:** Are we completely knocking renewables out of the inquiry?

**The Convener:** We have agreed that the inquiry will focus on energy efficiency and that our terms of reference will include heating, public procurement, finance and energy efficiency trading, with the catch-all that Bruce Crawford mentioned. It was a great sentence, but I cannot quite remember what it was.

**Bruce Crawford:** It was what are the big gains and how do we make all this work?

**Phil Gallie:** In the spirit of consensus, I will go along with the proposal, but the European Commission produced this green paper on 8 March 2006 and it is totally unrealistic to ask people to make worthwhile responses on such a timescale. Perhaps the committee could take that on board. Indeed, every comment that has been made this afternoon has made that feeling clear.

**The Convener:** If you feel strongly about that—and if the committee agrees—our report could reflect that comment.

**Mr Gordon:** It is possible that greater minds than ours are already applying themselves to the problem.

**Bruce Crawford:** The consultation continues until the end of December.

**The Convener:** I say to Mr Gordon that our input is as valuable as anyone else's.

## Annual Report 2005-06

15:48

**The Convener:** I cannot believe it—we are only at agenda item 4. You chaps are being terribly dilatory.

The next item is consideration of the committee's draft annual report for 2005-06. Under standing orders, each committee has to produce an annual factual document that details its activities over the past year. I know that members have already looked at the report. Does anyone have any comments?

**John Home Robertson:** It is commendably brief.

**The Convener:** I thank the clerks for putting the report together.

## European Commission Work Programme 2006

15:48

**The Convener:** The fifth item on the agenda is consideration of a paper on issues in the European Commission's 2006 work programme that the committee has decided should be tracked. Annex A sets out the progress that has been made. Do members have comments on any of the subject headings?

**Mr Wallace:** Following my reference to JESSICA and JEREMIE—joint European support for sustainable investment in city areas and joint European resources for micro to medium enterprises—in the parliamentary debate on the European Commission work programme a couple of weeks ago, George Lyon has written to me on the matter. I have given a copy of the letter to the clerk, who might wish to circulate it to the rest of the committee.

**The Convener:** I see that no action is expected between JESSICA and JEREMIE before the autumn.

**Mr Wallace:** I recall that on its visit to Brussels, the committee was fascinated by their activities.

## Pre and Post-council Scrutiny

15:49

**The Convener:** The sixth item on the agenda is pre and post-European Union council scrutiny. The paper on the education, youth and culture council is late, but I hope that we will have it for our next meeting. If we do not, we will ask the questions that we generally ask when a paper is overdue. Does anyone have any comments to make?

**Phil Gallie:** I have a comment on the agriculture and fisheries council. The reports from the Scottish Executive Environment and Rural Affairs Department are right up to scratch after the complaints that we made. We should congratulate the department on that.

It has come to my attention that France and Spain are still pushing money into their fishing industries. Right now, our fishing industry is falling on its knees because of the rising price of diesel. The effect on the fishing industry is immense. Can we ask what representations the Scottish Executive is making on that issue?

**The Convener:** The committee is well entitled to ask the Executive any such question that results from our scrutiny. If no one has a problem with that, I suggest that we write and ask.

**Members indicated agreement.**

**The Convener:** Is there anything else on this item?

**Phil Gallie:** Page 10 mentions that Romania briefed the general affairs and external relations council on a high-level meeting on a single free trade area in south-east Europe. It is a bit remote, given that Romania is not yet part of the EU, although it will be in the not-too-distant future. We have a single European market, but we are talking about setting up a single free trade area in south-east Europe. Will it include Romania prior to its entry into the EU? What is the extent of the free trade agreement? What does it cover and does it have any relevance to Scotland's interests?

**The Convener:** We could ask for more information on what exactly Romania was briefing the council about and find out whether the Romanians produced a paper for the briefing.

**Members indicated agreement.**

## Sift

15:52

**The Convener:** Item 7 is the regular sift of European Community and European Union documents and draft legislation. Just one item is highlighted in the documents of special importance section: the presidency conclusions from the Brussels European Council meeting on 23 and 24 March. That will be passed on to all the subject committees for interest.

Does the committee agree to refer that paper to the committees that are indicated in the sift document, including this committee?

**Members** *indicated agreement.*

## Convener's Report

15:52

**The Convener:** Item 8 is my regular report to the committee. The first item is the reply to our letter to the Executive regarding pensions, with particular relevance to the rule of 85. John Home Robertson asked the committee to follow the matter up. We have had a response, but I do not think that it tells us any more than we could learn from the front page of a fairly decent newspaper. Does John Home Robertson have any comments, having asked for the information?

**John Home Robertson:** Thank you for it. It is useful, because we were getting assertions from both sides of the argument. The Executive and Government were saying that, to fulfil European regulations, the rule of 85 had to go, but trade unions had a different interpretation of the law. The response looks pretty conclusive: to comply with European legislation, the rule of 85 must go. However, there are always at least three ways of interpreting any piece of legislation. I hesitate to ask for legal advice from within the committee.

**The Convener:** It struck me when I read the response that that has been the Executive's position from the start, but we know that the relevant EU commissioner has denied that it is the case. I wondered whether the UK is unique among member states in having such a rule that could be deemed inequitable. Perhaps we could ask the Executive whether it is aware of a similar issue in any other member state.

**John Home Robertson:** Perhaps we could ask the Commission.

**The Convener:** Yes. Would everybody be happy with that? We are talking about probing the matter a bit further, because we still do not really know the answer.

**John Home Robertson:** Yes, that would be helpful.

**Bruce Crawford:** The EU would be the right body to ask. If we are going to ask that question, we should ask whether any legitimate aim under article 6 has so far been identified that allows a country to continue to apply its own particular rules. Article 6 gives the possibility of opting out. If some country has used paragraph 1 of article 6 of the directive as a get out, we need to know about it and about the arguments that were deployed. At the moment, we are being told that the rule of 85 would not be consistent with directive 2000/78/EC as far as Scotland is concerned.

**The Convener:** So there we are.

**Phil Gallie:** When we are in Parliament, we all think that all the equal opportunities legislation and all that is very good and everyone applauds—

**The Convener:** Apart from yourself.

**Phil Gallie:** Sometimes.

What registers with me is that when such legislation is brought in, it has good points and bad points; it is all swings and roundabouts. When we do something like this, there are sometimes unseen effects. All parliamentarians should be aware of that.

**The Convener:** We consider ourselves telt.

The next item is a letter from the Scottish Executive about energy issues. It is very short and says that the Executive will pass its view on the EU's green energy paper to the UK Government. That does not prevent us from asking any further questions. Do members have any comments? Perhaps we have expended enough energy on that subject.

The third item is a letter from Nicol Stephen about the new guidelines for national regional aid for 2007 to 2013. As there are no comments, we will move on.

The fourth item is a letter from the Scottish Executive with details of the legislation lifting the ban on UK beef exports to the rest of the EU. The letter is fairly detailed and I am sure that it is self-explanatory.

**Mr Gordon:** Today's good news, Phil?

**Phil Gallie:** Yes. I was not going to comment, but as Charlie has provoked me, can it be confirmed that while beef containing vertebral column, or products derived from vertebral column, from cattle born or reared in the UK and slaughtered before 3 May 2006 is still banned, everything after that date is okay?

**The Convener:** Are you saying that you would like to continue the ban, Mr Gallie?



**Phil Gallie:** No. I am asking for clarification—purely because I was provoked.

**Mr Gordon:** You can afford to buy better cuts of meat than that.

**The Convener:** Enough.

**Phil Gallie:** I will let it go, convener.

**The Convener:** The final item was raised by Phil Gallie at our meeting on 25 April. It is about the EU's financial perspectives in 2007 to 2013, the €4 billion increase, and the costs to the UK Government.

The note in the papers was provided by the Scottish Parliament information centre, and I thank it for that.

**Phil Gallie:** I add my thanks to SPICe, but I am disappointed that it could not identify how much it is going to cost the UK. I will use other resources to try to identify precisely how much it is going to cost the UK. However, if SPICe comes back with that information in the future, I would be very grateful.

**The Convener:** We note from the report that no information on that is currently publicly available. No doubt you will monitor the situation, Mr Gallie.

**Phil Gallie:** Perhaps I will ask questions elsewhere.

**The Convener:** A few more issues spring to mind. At our previous meeting, Dennis Canavan and Irene Oldfather raised the issue of language. We have not had a response.

Bruce Crawford raised the issue of genetically modified organisms. I am saying that to remind him before he has to admit that he cannot remember it. The clerks are tracking that for us; we do not have a response so far.

**Bruce Crawford:** It is very kind of you to remind me of my inadequacies, convener.

**The Convener:** We note all those issues.

We have to suspend for a few minutes until the witnesses are in place for our next item.

15:59

*Meeting suspended.*

16:02

*On resuming—*

## Structural Funds 2007-13 Inquiry

**The Convener:** Agenda item 9 is evidence taking on the draft national strategic reference framework and structural funds. Because of the deadline for the consultation on the draft NSRF, our response will have to be agreed at our next meeting. The timescale is tight, so today is our only opportunity to take oral evidence on the framework, although we have received written submissions. The session will also inform our wider inquiry into the delivery of structural funds in Scotland for the period 2007-13, which we will conclude before the summer recess. Members have a briefing paper.

I welcome Jeremy Wyatt, who is the managing director of Hall Aitken, the consultancy firm that the Executive commissioned to produce a report on the delivery of structural funds. A copy of the report, "Making every euro count: Final report on EU Structural Funds administration options for Scotland", is included in members' papers. I invite Jeremy Wyatt to make his opening remarks, after which members will ask questions.

**Jeremy Wyatt (Hall Aitken):** I was asked to make a few opening remarks, so I was just going to read the whole report verbatim. [*Laughter.*] No?

**The Convener:** No.

**Jeremy Wyatt:** Okay. In that case, I will mention just a couple of points.

I am the managing director of Hall Aitken, which is a social and economic regeneration consultancy that works in Scotland and the rest of the UK. I have been involved with European structural funds for about 20 years, as an applicant, a project deliverer, a manager, an evaluator and a decision maker on various committees. I have spent 20 years trying to get away from structural funds, but I have not succeeded.

Hall Aitken recently completed the interim evaluation of the objective 3 European social fund programme in Scotland and we are working on the ex ante evaluation of the lowland and upland Scotland European programme for the next few years. We have done various pieces of work throughout the UK. We have a reasonable background in the matter, which is one reason why we were asked to complete the report. The aims were to identify options by looking at what happens in other countries and to draw out comparative lessons and consider how they might be applied to Scotland. The report was a fairly limited piece of work. For example, we did not do a detailed cost analysis of how the European

structural funds are delivered in the four countries that we considered. We spoke to some people, did a consultation and got a broad impression, but if somebody asks what the value for money is in Germany compared with that in Catalonia and Spain, we do not know, because we did not go into that level of detail.

With that caveat, I will point out the headline issues that we found in examining the four countries, which were Spain, Germany, Ireland and England. We found that the countries deliver the European structural funds in many different ways. In most cases, greater alignment exists here between the way in which the funds are spent and what the Government in the country is doing. The system is a bureaucratic nightmare everywhere and incredibly costly—nobody seems to have found their way out of that. Some countries deliver to national priorities; others deliver more locally, which is seen as good. In some places, the Scottish model is seen as desirable because it is locally responsive. However, it is difficult to determine which system delivers the greatest bang for the buck.

On the basis of our consultations in other countries and in Scotland, we developed a set of criteria that we felt should underpin how the system works in the future. The report includes 10 criteria, but I will highlight three of them—two because I think that they are particularly important and one because I want us to be clear about it. One of the criteria is that funds should be directed where they will make the most difference, which means considering economic need, economic opportunity and delivery capacity and quality—the ability of an organisation to deliver a programme. That is set against the current system, which many people perceive as one in which funding is delivered to people who are good at writing funding applications. The second issue is the general perception that the balance in the current set-up is towards selecting projects rather than delivering effective projects. Thirdly, I want to highlight the concept of horizontal themes. At present, all projects that are funded must take into account certain issues such as equality and sustainable development. Some people highlighted that as an across-the-board major benefit that is worth maintaining.

I will touch on two more issues before I answer questions. Our fundamental conclusion about what should change in Scotland is that the decisions on strategic issues—about where large blocks of money will go—should be separated from the decisions on project issues. At present, all projects go into a great big pot and decisions on them are made at the same level. Whatever the mechanism, a two-tier decision-making process in which funds are first directed strategically and decisions are then made about which projects to

give them to would be better. There are many ways of doing that, some of which we have suggested.

The second point that I want to highlight is particularly important, given that it is now May and that the current programme will finish at the end of 2006 and the programme that we are considering starts in 2007. Many people are doing lots of work and have jobs that relate to the funds, so effective implementation is important and it is critical that decisions are made as early as possible. The history of funding in Scotland and the UK is often that new things are introduced, there are gaps and then there are two years of messing about during which a lot of impact is lost. Money might be lost, but usually it is spent to much less benefit than it could be. That is an important issue.

**Mr Gordon:** Good afternoon, Jeremy. I should explain that, about 12 years ago, Mr Wyatt was the chief executive of a local economic development company in Glasgow of which I was the chair. We did much good work together, including the spending of lots of European structural funds.

In the past 20 years, around £1 billion in European structural funds has been spent in the west of Scotland. You will appreciate why structural funds are an important issue for members of the Scottish Parliament. You highlighted three of your 10 criteria; I will point to some of the others. Number 1 is the minimising of administration—I presume, on the grounds of cost and efficiency. Number 5 is better integration with other activities. I link that to the delivery of structural funds and the link between delivery of the same with the Executive's priorities.

Related to that is the issue of co-financing. If we look at the delivery landscape in recent times, we see the emergence of community planning structures covering the whole country. In the urban areas and city regions, we see the advent of the city growth fund and metropolitan strategies. Do you see any merit, potential or feasibility in linking those, in the future, for the management of structural funds?

**Jeremy Wyatt:** In simple terms, yes. We suggested that it would not be appropriate to develop a specific proposal or even options for the delivery of funds until prioritisation of what the funds were to be spent on was at least somewhat more advanced. I have alluded to the concept of decisions being made at two levels. First, at the strategic level, a package of funding might be agreed to meet strategic objectives for a city region, a community planning area or a thematic issue. Secondly, within that, the funds should be allocated to specific projects. That concept fits exactly with what you described. The priorities are a matter for the Parliament and the Executive.

**Mr Gordon:** I go along with that. I do not know whether you are aware that what you have just described is the way in which the city growth fund in the Glasgow city region has been spent in the Clyde valley across eight local authority areas since it was created. In effect, the politicians establish the ground rules, the pot of money is there, and people know that their project ideas must have a cross-boundary benefit. It is a lean, mean machine in the sense that existing officials of the local authorities, the enterprise network and other partners come forward with their ideas within a strategic framework for which there is considerable political backing and accountability.

**Jeremy Wyatt:** I confess that I am not particularly familiar with that, but what you are talking about sounds like the sort of structure that we think would be appropriate.

**Mr Gordon:** Do you have any other views on what the Executive calls co-financing? What other funding streams, for example, might lend themselves to leverage? As you know, one of the great potentials of structural funds in the past has been the ability for them to be put alongside a cocktail of other funding streams to create bigger and better projects.

16:15

**Jeremy Wyatt:** We were asked to consider the co-financing issue specifically. Co-financing is an arrangement that, in England, applies only to the European social fund, although I have heard that it might be extended to cover the European regional development fund as well.

In essence, pots of money are given to second-tier organisations such as the Learning and Skills Council and Jobcentre Plus and people apply to them for funding. That means that they get 100 per cent funding that is made up of money from Europe and money from the Learning and Skills Council or Jobcentre Plus.

For some fairly basic reasons, we concluded that the English co-financing model was not applicable to Scotland. First, there is no structure of learning and skills councils in Scotland. The Scottish Executive structure differs significantly from that. For example, further education funding in England is controlled by the Learning and Skills Council whereas in Scotland it is controlled by the Scottish Funding Council. Further, the Jobcentre Plus network is not part of the Scottish Parliament's business. Those are fairly important reasons.

The principle that was being followed in England concerned devolving decision making from the regional Government offices to local bodies and attempting to make more strategic decisions about packages of funding that were then distributed in a

way that was not dissimilar to what you describe. There are lessons to learn from that co-financing structure, but it is not a model that can simply be transferred.

**The Convener:** Being grilled by Charlie Gordon must take you back a bit, Jeremy.

**Jeremy Wyatt:** He never used to grill me in public.

**Dennis Canavan:** The Department of Trade and Industry consultation document makes specific reference to a strategy for regional economic growth in Scotland, a strategy for the convergence objective in Scotland and a strategy for the competitiveness and employment objective in Scotland. However, I see no reference to a strategy for the co-operation objective in Scotland. Is that a significant omission?

**Jeremy Wyatt:** You are asking me about the planning of the fund rather than its management. I could comment on that, but we have not covered it in our report.

**Dennis Canavan:** Scotland did not seem to get greatly involved in the current Interreg programmes, which are due to end at the end of this year. From your experience, do you think that there is scope for Scotland to get involved in the co-operation objective to a greater extent, particularly with regard to co-operation with the Republic of Ireland and, possibly, Northern Ireland?

**Jeremy Wyatt:** I cannot comment on the amount of involvement or on whether Scotland could be doing more. I can say that I have been involved in examining various co-operation programmes and schemes and I know of projects and organisations in Scotland and across the UK that are doing that. That is a valuable thing to do and perhaps Scotland could be doing more of it. However, as I said, we did not tackle that in this research report and it is probably the aspect of the funds that I am least familiar with.

**Dennis Canavan:** Did you not tackle it because the Scottish Executive did not ask you to tackle it?

**Jeremy Wyatt:** It was not part of the brief, which was to consider the management of the European social fund and the European regional development fund in Scotland. The co-operation objective and the transnational programmes are managed outwith that area.

**Bruce Crawford:** Thank you for coming to give evidence to us today, Jeremy. I guess that our objective, in the end, is to get the best value that we can from European funding, and to secure real and measurable improvements in people's quality of life. That is what this is all about.

I am finding it difficult to get all of this into my head. We might have the strategic framework, which can be set by the Executive, along with a platform that is delivered through organisations such as those that Charlie Gordon was talking about, including local partnerships, community planning organisations and local authorities, but how are we going to make the link between the framework position of the Executive and the delivery platform? How are we going to ensure that the Executive's aims and objectives are met and that the targets that it is setting are deliverable?

Beyond that, there is the even more difficult issue of quality deliveries, which is referred to in your report. How are we to measure—for real, for once—the actual impact that the funds have on people's lives? To what extent do they lift people out of poverty? How do they help to improve people's quality of life? How on earth can we do a better job in future of examining what the real outputs are? If we do not do that, we will never get a real handle on whether we are spending the money properly and getting the best out of it.

**Jeremy Wyatt:** I agree that those are key questions. Drawing from other work that we have done, although people assume that consultants are only in it for the money—I wish that we were—the reality is that we care a lot about what happens with the funds. When we get involved in studies, we get frustrated about the impact of funding, and we find it difficult—for all sorts of reasons—to pin down what has really happened and to ascertain whether there is any tangible, identifiable benefit.

We think that there is now a massive emphasis on people winning funding. That is where all the focus goes. Taking things right down to the organisations that apply for funding, the most senior, capable people with the most experience and expertise in many of the organisations that secure European funding are there to get the funding applications together. When I worked with and for Charlie Gordon, I filled in European social fund applications. I ran the organisation, and that was the biggest part of my job. As long as I got the money in, other people could get on with doing things.

When I subsequently worked in the private sector for a large retail company, I realised that I had never got my hands dirty to such an extent before, and that I had never been so involved in the quality of delivery. Previously, I spent all my time filling out applications. This is a key issue. We felt from our research that the missing bit was a tier that is not part of the overall decision making under which responsibility is taken for agreeing that the organisation will meet targets and outcomes at an area or thematic level—meaning

real impact, not just bums on seats—but which focuses on the quality of delivery, rather than on the quality of applications. That is why we concluded that a different approach should be taken from that of simply putting all the applications through the various processes.

I will describe what actually happens in those application processes. There are funding deadlines, and there are people who sit round in rooms with piles of application forms, trying to read through them all and make some sort of decision. It would be unfair to say that that is it, but that is where a lot of the focus goes. If the focus was less on having lots of administration and bureaucracy and more on accountability, quality of delivery and managing, more value for money would be achieved.

**Bruce Crawford:** That gives us some useful areas to discuss with the Executive's representatives when they come before us. You are effectively telling us that we should change the process from being a cash hunt, which is what it has turned into, into being a process in which those who are successful and who have been securing the funds are asked up front what the expected outcomes are and how they can be measured. There also needs to be a link between what the Executive is doing and actual delivery.

**Jeremy Wyatt:** Yes. To be clear, people are asked what they are going to deliver and they are held accountable for that, but it is a micromanaged process and the administration system ends up looking at the detail rather than the bigger picture.

**Bruce Crawford:** That is useful. Thank you.

**Mr Wallace:** Before I come to my questions, I want to pick up on a point that Jeremy Wyatt made in an answer to Charlie Gordon. You talked about co-financing and gave as examples the Learning and Skills Council—that example does not apply in Scotland—and Jobcentre Plus, which is a reserved institution. Do you think that Scotland is missing out? Would there be benefits if some of the funding that is allocated to the Scottish Executive was used in partnership with, for example, Jobcentre Plus? We should not allow constitutional arrangements to get in the way of money being used as effectively as possible. In your experience, is there anything that we can do that is at least worth examining?

**Jeremy Wyatt:** In principle, the answer must be yes. To be honest, the difficulty is that, if we take away the institutional issues and ask whether something works and what benefits it brings, it will take a little longer before we get the answer. There is a significant body of opinion—a particularly articulate body of opinion in the community and voluntary sector—that co-financing in England has been damaging and has led to

poorer performance. There is an equally strong, if not stronger, body of opinion in Government offices and Whitehall that co-financing has streamlined things and brought greater strategic focus. The jury is still out on that.

We could devolve strategic pots of money to agencies or partnerships in Scotland, which would then put together matched money and give it out to projects. However, it would be a bit strange if we did that because there is a significant agency that puts in money at the moment—Jobcentre Plus—and such a process would be outside that system.

**Mr Wallace:** That point is worth pursuing.

**The Convener:** May I intervene on that point? I saw Jeremy Wyatt speaking to some people at a stakeholder meeting in Glasgow. I remember that there seemed to be a bit of unrest among some folk because it had been shown in England that it was more expensive to go down the co-financing route, as a higher percentage of the award was used on administration. However, I did not get the full picture on how true that is. Will you comment on that?

**Jeremy Wyatt:** It is extremely difficult to pin down the administration costs in European funds, but they are appallingly bureaucratic. My wry observation is that we in the UK probably obey every little regulation that comes out of Europe to an extent that other countries do not. We suffer for that.

I suspect that this is an apocryphal tale, but I vividly remember a European auditor telling me that his colleague had seen a bridge in Italy. The bridge that he had seen had been prompted by a nudge in the ribs in the car: "There is the bridge." He said, "Oh, yes. There is the bridge." I am not sure whether such things happen, but I think that we probably overengineer sometimes.

In England, the administration burden seems to have been shifted from some small voluntary organisations, but it has been given to the Learning and Skills Council, which previously did not do that work. It spent two years learning how to do it, and during that period the work cost a lot more. Our conclusion was that it is an administrative nightmare and that it is pretty costly. The process could be improved, but in many cases that would involve choices about systems that do not exist in Scotland.

16:30

**Mr Wallace:** I want to return to what you said about the separation between strategic issues and project issues. Is there another, higher layer? For example, if we go down the road of horizontal themes, at what level should they be determined?

Is that a matter for ministers? A question that is of fundamental importance to the uplands and lowlands is whether the distribution should be geographical or horizontal. You say in your report that under the current arrangements there are differences between regions within the uplands and lowlands.

**Jeremy Wyatt:** You raise several issues. The horizontal themes are determined largely by Europe. The extent to which they are emphasised is more of a national—and, indeed, regional—issue.

Some new guidance has just come out on geographical targeting. I was looking at it this morning and my reading of it is that there is a desire for the plans for the future programmes that are being put together in Scotland and the UK to pay attention to the need to address disparities within regions. After all, the whole point of structural funds is to address disparities within Europe. I think that what is being said is that the geographical issue is important, but I stress that that is only my interpretation; as the committee will be aware, if one has read a European paper only 10 times, one will not have managed to understand it.

Lowland and upland Scotland have had a very poor experience with the geographical allocation of funds under the present programme's European social fund. In the Highlands, such allocation has been much more successful. There is a table of allocations to different geographical areas, and that approach tends to work. However, that was not the case in lowland and upland Scotland. After a while, the programmes become driven by the need to spend. Particular amounts of money have to be spent on specific objectives. The strategic focus moves from doing the right things to the best quality to spending all the budgets.

In that regard, geographical targeting presents a risk. In the past, it has been a passive process. Once an area has received some money, people have applied for it. What will happen now is that a strategic agreement will have to be reached on how an allocation will be made, which will then be implemented.

**Mr Wallace:** There will probably be less change in the Highlands and Islands than in other parts of Scotland. From your inquiries, do you think that because that is the case, the area should carry on as before or does the opportunity exist for a fundamental rethink of how structural funds are spent in the Highlands and Islands?

**Jeremy Wyatt:** Funding in the Highlands and Islands will be reduced to between 60 and 70 per cent of current levels. That is a considerably smaller drop than the reduction to between 40 and 45 per cent of current levels in lowland and upland

Scotland. There is always an opportunity to consider making improvements. It is probably the case that more features of the system that are to do with adopting a more strategic focus have emerged informally in the Highlands than in the lowlands. It may be a matter of developing that approach and crystallising it rather than engaging in wholesale change. In principle, the idea of making more strategic decisions about lumps of money rather than attempting to go through a great bunch of applications on a table is a good thing.

**John Home Robertson:** I want to stay with the geographical theme, but to come at it from a different angle. I have long experience of approaching structural funding as a frustrated onlooker because I represent a constituency that has not had any access to it—apart from some reshare funding and, more recently, a bit of LEADER + funding—because the area is perceived to be relatively prosperous. However, some things that logically should have happened in East Lothian have been attracted elsewhere because of incentives that were offered for funding to go to areas that were perceived as being more depressed.

You will know that there are pockets of social deprivation and economic depression everywhere—even in the city of Edinburgh. What can we do to address such needs using the present funding package, which will offer less funding? Can we take a sectoral approach? Is there any hope of accessing funding through the revised programme so that we can deal with the pockets of difficulty in areas that look, superficially, as if they are relatively well-off?

**Jeremy Wyatt:** I suggest that that is a strategic issue for the overall programme. I will comment on it, but I want to make it clear that we were considering the management and delivery of funds rather than where the funds should be targeted and what should be done with them. The place to address such questions is within the current planning process.

With less funding, there is even more of a drive to ensure that you get the best value for money. Wearing my hat as someone who works on the ex ante evaluation of the programme, I would say that we would be looking for justification in the programme and an analysis that said, "This is where the need is and this is why prioritisation decisions are being made." I cannot say, "That means that money should go to East Lothian," but money and interventions should address the combination of need and opportunity in such a way as to make the most difference. That is what it should come down to. In principle, that is how each programme is supposed to be put together, but, in practice, there is always a certain amount

of politicking, which is entirely outwith the scope of any economic consultant.

**John Home Robertson:** Yes—we have been there already today.

**Phil Gallie:** I have listened carefully to everything that has been said. My impression is that, particularly with regard to the United Kingdom, European Union structural funds are not achieving all that they could. Much seems to be lost in bureaucracy and administration. Is that correct?

**Jeremy Wyatt:** It is, yes. But—

**Phil Gallie:** I am very happy with that answer.

**Jeremy Wyatt:** But could I just add a caveat?

**Phil Gallie:** Yeah, okay.

**Jeremy Wyatt:** Some of the money goes in fees to consultants, which is always very well spent.

**Phil Gallie:** That says it all.

I have looked through your report and read about practices in some other countries. Although I am much in favour of power being passed to the people as far as it can be, it seems to me that the best results from structural funds have come when major Government programmes, aimed at gaining overall economic benefits, have been imposed. That is how to achieve best value from structural funds.

**Jeremy Wyatt:** It is probably unarguable that, if structural funds are attached early on to large-scale Government interventions at national and regional level, the cost of separate administrative burdens must be significantly reduced. As I said, we did not investigate that—but I think that that is a reasonable assumption. The question then is not whether interventions are cheaper to administer, but whether they necessarily achieve best value for money.

We could easily spend 20 per cent of the funds on administering something and get from the other 80 per cent twice as much value as we would get from something that is cheap to administer but is not well directed. The argument that many people who currently use European funding will make is that the money funds activity that would not be funded through large-scale Government interventions and that it tackles specific local issues by helping local partnerships to lever in other money and develop new interventions.

Both arguments have merit. Given that we were not paid incredible amounts of money—only other sorts of consultancy get paid such amounts—we were not able to consider that in depth. That is a job for the big accountancy firms. The two cases are strong and you should not dismiss the idea that there might be a benefit in the additional cost

of administration in that it might allow different sorts of things to happen.

**Phil Gallie:** I take that point. I want to consider the whole structure of EU structural funding. During the UK presidency, in the discussions on the EU budget, a line came from the UK Government that perhaps EU structural funds should be used to address the requirements of the new entrants to the EU and that overall budget contributions could be dropped, with national Governments picking up national requirements for structural fund areas on their own merits. Do you think that that would have worked well? Would that have been preferable to a situation in which nations of Europe know that they have to argue for a little bit from the pot to which they are net contributors in any case?

**The Convener:** Was that covered in your report, Jeremy?

**Phil Gallie:** If it was not, it should have been.

**Jeremy Wyatt:** I was just thinking that many of my neighbours in Ayrshire share that view. That is outwith the scope of the report and is probably outwith the scope of our consultancy. My personal view is that it would probably not work, but I cannot really comment.

**The Convener:** That question was raised at the our voice in Europe forum. The youngsters at the forum said unanimously that if the new entrants were poorer than we are and needed the money, it would be selfish of us to insist on getting some. I thought that that was an interesting view from the younger generation. You should have been there, Phil.

**Phil Gallie:** I should have been allowed to participate.

**Mr Wallace:** You said in your opening remarks that when we shift to a new system there is always a danger of a hiatus; time and the opportunity to use money effectively might be lost. I declare an interest in that I used to have a ministerial responsibility for structural funds. One of the messages that we tried to get across to stakeholders when we were not sure what the outcome would be was to keep going and to keep producing the projects. It might be natural to expect work to come to a standstill when people are not sure what will follow. Has there been reasonable continuity and has momentum been maintained?

16:45

**Jeremy Wyatt:** That has been the case until now. European funding has gone through a series of crises. Not all that long ago, people thought that there would be no structural funding for the UK this time round. To a certain extent, people just

continue; they do not believe that anything will change, despite the fact that it is now clear that only 45 per cent of the money will be available.

Set against that, the structures are beginning to crumble. We do a lot of evaluation of programmes, look right down at projects and work with people in local areas. If members do not mind my saying so, my general view is that politicians and civil servants have an insufficient appreciation of the fact that effective quality implementation is achieved by well-managed, skilled people who have some idea of what will happen tomorrow, and by planning. One reason why European funds have less impact than they could have is that many people work hand to mouth on a year-to-year basis. As I have said, in the past there has been a two-year hiatus in which no one has really known what is going on, things have changed and so on. At the moment, structures in which programme management executives have staff with long experience of delivering programmes are beginning to disintegrate. The other day, I was at a conference that was organised by somebody who said to it, "Thanks, but I'm off into consultancy now." That was in the South of Scotland programme management executive area. Unless decisions that introduce some certainty are made in the relatively near future, members will find that the delivery mechanisms will begin to disintegrate, which is an important issue.

**The Convener:** You mentioned effective quality implementation. Can that be achieved by turning the Highlands and Islands and the lowlands and uplands programmes from two into four programmes, because of the two different strands? Would doing that promote effective management and delivery?

**Jeremy Wyatt:** The structures are less important than how the process is managed within those structures. Many people are arguing that there should be six programmes rather than two and so on. All our consultations were coloured by the interests of those who responded—indeed, if their names were taken off the responses, it would not be difficult to spot who said what. People look after themselves to a certain extent, but the interests of different people and different groups can be accounted for within different structures. That is not really the issue—the issue is more about teasing out the difference between strategic and project decision making and introducing some continuity into the process, as I said. Existing programmes could be merged relatively easily, but that would be difficult in six months' time.

**The Convener:** Did somebody say something? I think that I heard noises of appreciation.

I thank you for your honesty and the quality of your responses, which are much appreciated.

**Jeremy Wyatt:** Thank you for inviting me.

**John Home Robertson:** You should not be surprised that people are honest, convener.

**The Convener:** I will not respond to that because I am aware that the official reporters are writing it down.

I ask members to return to page 1 of paper EU/S2/06/7/10, on the national strategic reference framework inquiry, which was put together by Nick Hawthorne. Obviously, we must agree a response to the consultation at our next meeting. The clerks need a steer. [*Interruption.*] I excuse Mr Gallie for not turning off his mobile phone.

**Phil Gallie:** I went out and put on my phone, but forgot to turn it off. I apologise.

**The Convener:** I should think so too.

The clerks need a steer on whether the six questions that have been selected are appropriate so that we can respond to the national strategic reference framework—NSRF—consultation. I think that there are 12 questions in the paper. Six questions were picked that we think can best be answered from a Scottish perspective.

If you have all found the questions we will run through them quickly. The first is a general question, and it is followed by one about priorities for convergence and competitive programmes. The third question is about the Lisbon agenda, which the committee has been following quite closely. Fourth is a question on future programmes and, from what we have heard from Jeremy Wyatt, that is obviously very important. The fifth question is about improvement in co-ordination and the final one is about single-stream funding mechanisms and whether they would benefit Scotland.

**Mr Wallace:** Am I right in thinking that the inquiry is in two parts? The initial part is where we respond to the NSRF.

**The Convener:** Yes. At our next meeting, we have to agree our response to the NSRF consultation. We will then conduct our structural funds and implementation in Scotland inquiry separately from that.

**Phil Gallie:** I suppose that there is another question.

**The Convener:** No doubt there is.

**Phil Gallie:** Are EU structural funds still acquired on a universal merit basis? Is that part of the inquiry?

**Mr Wallace:** If I am right, those questions were asked by the DTI report that we are picking up on.

**Phil Gallie:** Yes, but the DTI does not always get it right. It just seems to be such a fundamental

question. We have heard evidence today that suggests that we could query that.

**The Convener:** I hate to bring logistics into the discussion, but our clerks have to prepare a response for our discussion and agreement at the next meeting.

**Mr Wallace:** Phil Gallie's question is a good one, but perhaps it was more relevant to the committee's previous inquiry on structural funds. The point is that we have the structural funds and are now more concerned about how they are going to be used. We might wait until 2010 for another opportunity to consider that. The question is about how rather than whether.

**The Convener:** Implementation is the important issue for the moment.

It is obviously difficult for the clerks. We have not had a full discussion of the issues because time constraints have not allowed it. I suggest that I get together with the clerks fairly soon, and with anyone else who would care to join me. Charlie, I would appreciate it if you would come in on this because you are very knowledgeable and have been on both sides of the structural funding role.

**Mr Gordon:** You do realise that that will go into the *Official Report*?

**The Convener:** What will? The fact that I think that you are quite good?

**Mr Gordon:** It might harm my prospects.

**The Convener:** Would you like me to say more?

**Phil Gallie:** I will second you convener. That will really sink him.

**Mr Gordon:** I am happy with the selection of questions proposed by the clerks.

**The Convener:** Yes, but we have to answer those questions, Mr Gordon.

I suggest that I and Charlie Gordon hold a very short meeting with the clerks to give our views on what the committee would expect the responses to the questions to be. That can then be fired around all the committee members for general agreement on the themes. A draft will then be brought to the next meeting.

Why are you smiling so widely, Mr Gallie?

**Phil Gallie:** I was just wondering whether we could have a vote on the questions.

**Mr Gordon:** The deputy convener is not here. Perhaps she ought to be considered.

**Mr Wallace:** I do not want to be awkward but there are two further questions that might be relevant to Scotland. Question 6 of the DTI's consultation is:



"Do respondents agree that the UK's Competitiveness allocation should be divided equally between the ERDF and the ESF at the UK level?"

That could have implications for Scotland. Question 7 of that consultation is:

"What are respondents' views on how best to allocate ERDF Competitiveness funding across the UK's regions?"

I do not want to expand the amount of work that has to be done, but both questions have some relevance.

**The Convener:** Do I have the committee's agreement that a couple of us can go away and come up with a framework, then circulate it to members with a deadline?

**Members** *indicated agreement.*

**Mr Gordon:** I suggest that you should take informal soundings from other members, convener.

**The Convener:** Okay. That is agreed. It gives us something to work with.

Our next meeting is on 23 May at 2 o'clock when we will continue taking evidence on structural funds.

*Meeting closed at 16:55.*



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