

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 15 April 2008

Session 3

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

8th Meeting 2008, Session 3

CONVENER

*Malcolm Chisholm (Edinburgh North and Leith) (Lab)

DEPUTY CONVENER

*Alex Neil (Central Scotland) (SNP)

COMMITTEE MEMBERS

*Ted Brocklebank (Mid Scotland and Fife) (Con)

*Alasdair Morgan (South of Scotland) (SNP)

*Irene Oldfather (Cunninghame South) (Lab)

*John Park (Mid Scotland and Fife) (Lab)

*Gil Paterson (West of Scotland) (SNP)

*Iain Smith (North East Fife) (LD)

COMMITTEE SUBSTITUTES

Jackie Baillie (Dumbarton) (Lab)

Keith Brown (Ochil) (SNP)

Jackson Carlaw (West of Scotland) (Con)

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Malcolm Bruce MP (House of Commons International Development Committee)

Jack McConnell (Motherwell and Wishaw) (Lab)

CLERK TO THE COMMITTEE

Dr Jim Johnston

ASSISTANT CLERKS

Emma Berry

Lucy Scharbert

LOCATION

Committee Room 1

Scottish Parliament

European and External Relations Committee

Tuesday 15 April 2008

[THE CONVENER *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Convener (Malcolm Chisholm): Welcome to the eighth meeting this calendar year of the European and External Relations Committee. I particularly welcome Ian Cox, our new assistant clerk, who is on secondment from the Scottish Government.

Do members agree to take in private item 3, which will deal with the draft transposition report? It is normal to consider draft reports in private.

Members *indicated agreement.*

International Development Inquiry

10:01

The Convener: Our second item is our international development inquiry. We are lucky enough to have before us two distinguished politicians: Jack McConnell will kick off, then we will hear from Malcolm Bruce, who is chairman of the International Development Committee at Westminster.

Jack McConnell played a particular role in the development of the international development policy in Scotland, so we are pleased that he has come along. He has provided a written statement, which members might have had time to read. He will also give us an oral introduction.

Jack McConnell (Motherwell and Wishaw) (Lab): I apologise for circulating the paper only this morning, but I thought that it might be useful to record the history of the development of Scotland's first international development policy, some of the achievements of that policy and some of the statements and publications that outlined the policy in and around 2005. I hope that the paper is a useful contribution to the evidence that has been collected by the committee, and that it will inform not only this evidence-taking session, but the deliberations of the committee as it moves towards conclusions over the coming weeks.

I want to highlight a few key points that are dealt with in more detail in the paper. First, the development in 2005 of an international development policy for Scotland by the devolved Government that I led occurred in the context of the internationalisation of our work and the international strategy that was published in 2004, which addressed the increasingly competitive world in which Scotland was trying to secure investment, jobs and growth. The international policy of our Government had to be designed primarily to benefit Scots. However, I believed strongly—and believe strongly today—that, as well as taking from the rest of the world, we have an absolute moral responsibility to give. Therefore, any international strategy for Scotland had to contain an element of international development and could not simply concern the promotion overseas of Scotland and Scottish businesses, goods and services. I suppose that was based on a philosophical approach to devolution, which holds that, regardless of the constitutional arrangement we choose, Scotland should never be an insular nation: we have to be open to the rest of the world, we have to be participants in the global community and our citizens—particularly our younger schoolchildren—must understand that global community.

In developing the national development policy, I wanted to ensure that we would complement the work of the United Kingdom Department for International Development. Since 1997, the UK Government had, admirably, expanded international aid and development, increased the resources that were available and raised the priority that was given by Government to such matters. That we did not compete with its effort but sought to complement it was right. For that reason, and for other reasons that I hope are obvious, the main purpose of our international development policy was to support Scots in making professional, voluntary or business contributions to sustainable development in Malawi and elsewhere. A fund supports the policy, but it was never the centre of the policy—the policy was never just about giving grants. It is more important that the policy enables Scots to help with sustainable development in the developing world.

In order to make the maximum impact through the policy, we decided to give particular priority to a relationship with one country. For obvious historical reasons that I am sure the committee has considered, it made sense to choose Malawi. Scotland has links with Malawi that go beyond David Livingstone's arrival in that part of the world 150 years ago, although of course the Malawians say that they discovered David Livingstone, rather than that he discovered them. There are links as a result of the contributions that Scottish churches, road builders, educators and health workers made back in the early 20th century, and as a result of the phenomenal contribution that Scots made to preserving Malawi's integrity in the 1950s when it was threatened by Rhodesia. Scotland's contribution continued right up until the start of the 21st century—individual Scots, Scottish institutions and professional associations were still helping development in Malawi. Such contributions gave us a base on which to build; therefore, we chose to seek a co-operation agreement with the Government of Malawi, and a partnership that would involve the people of Scotland and Malawi working together.

Even with my optimistic outlook back in 2005, I could not have envisaged the scale of the response throughout Scotland to the opportunities to contribute to development in Malawi. Now, there is hardly a hospital or health centre in Scotland that is not in some way contributing to development there. The number of schools that are involved in the project has increased from around 10 in 2005 to around 150, and that number is growing almost every week. A range of Scottish businesspeople, many of whom are retired, are helping businesses in Malawi to grow. Sometimes philanthropic contributions are made, and sometimes advice and expertise are provided.

Individuals and organisations representing all walks of life in Scotland are making contributions that are recognised and appreciated in Malawi. I am talking about a phenomenon that transcends political, party-political and governmental interests—a people-to-people relationship exists.

Two weeks ago, I saw for myself many examples of that relationship. In 2005, we visited Gwengwere, which is a small village in Dedza. Then, the village had small grass huts for classrooms that were totally inadequate for their purpose; now, there are classrooms built from bricks. There are more teachers, and a church in Glasgow is about to finance a library. Among the other improvements that have been made is a feeding station that has been supported by charity donations from the west of Scotland.

In Mzuzu in the north of the country, the university there and the University of Stirling are developing an aquaculture project that could provide a new basis for jobs and economic development around the lake and in other areas in the north of the country. I met people from Bottom hospital in the capital city of Lilongwe, where maternity provision is about to be transformed by the generosity of Scots—a brand new maternity wing is being built. Such improvements have happened as a result of the phenomenal contributions of individual Scots rather than Government action. Those contributions have been supported by the Government, but the action has not been Government action. Such contributions must be welcomed and encouraged in the future.

I have included in my paper recommendations that are designed to encourage the committee to consider how to support contributions by individual Scots. First, there should be better co-ordination of Scottish activity inside Malawi. Secondly, there should be collation of information on the extent of Scottish activity in Scotland and thirdly, there should be extension of support for professional volunteers who, in some professions, currently lose out on their pension contributions if they choose to spend a year or two contributing in Malawi or anywhere else in the developing world. Scotland should also—crucially—better co-ordinate transportation of goods because that is, as a short-term measure, a relief and a support for public services in Malawi in particular.

I hope that those recommendations are helpful. I am delighted to be here today and am happy to answer questions.

The Convener: Thank you. That was a useful introduction. We will ask you about the specific recommendations in due course. We will probably also refer you to some opinions that we have heard in evidence; again, there are a lot of specific issues.

I will start with general matters—you dealt to some extent with how the strategy was designed to complement the work of the UK Government. We heard from Ken Ross of the Scotland Malawi Partnership an interesting quote that deals with that issue to some extent. He said:

"I believe that the important aspect is that we are doing something different in Scotland with our vision for international development. It is not just a miniature version of what is done through the British Government; it has a different basis and a different way of working because it mobilises resources that we have in our communities."—[*Official Report, European and External Relations Committee*, 4 March 2008; c 459.]

That deals with the generality, as your opening statement did. To what extent do you think that we have a radically different model for international development, and to what extent could other countries usefully copy it?

Jack McConnell: The UK is, through the Department for International Development, the largest external donor in Malawi, so with regard to the specific Malawi experience there is no way we could have—or, indeed, should have—tried to duplicate that effort. The UK Government is likely to remain the biggest external donor, and it supports important initiatives in health, education, governance and economic development.

The work that we could do in Scotland had to complement that, which is why we chose a policy that focused on supporting the volunteer effort—the skills transfer that would help Malawians themselves to create a more sustainable and prosperous society for their families in the future. That work by Scotland, in partnership with Malawi, provides a significant model that could be copied elsewhere in the future, if it proves to be as successful as it has been during its early years. There seems to be no reason why other devolved nations, regions and states inside federal systems could not follow Scotland's example and complement the work of their national Governments in the same way, by working with small countries with which they have particular relationships and supporting development in such countries in the way in which we in Scotland have done.

One reason why I specifically recommend the creation of a database of what has happened in Scotland over the past three years is that recording what has taken place will be important not just for Scottish and Malawian history, but for the knowledge transfer that could go on elsewhere in the world, and as an experience and an example that others could take up.

Alex Neil (Central Scotland) (SNP): I congratulate Jack McConnell for putting Malawi on the map—it is one of the best things that we have done since devolution, and I hope that it

continues. There are two fundamental questions that we are grappling with in regard to the strategic issues concerning the future. The first is, should we concentrate our effort entirely or mainly on Malawi, or should we try to branch out? If we branch out, do we go beyond that part of Africa or should we branch out to other parts of sub-Saharan Africa so we get some critical mass in terms of our effort?

10:15

My second point is that, having visited Malawi, I think that all the recommendations are commonsensical and right. However, I was struck by the potential within the Malawi economy. The establishment of, for example, an equivalent of the Prince's Scottish Youth Business Trust is the kind of initiative that does not require a lot of Scottish Government intervention but still helps to mobilise private sector resources. One of the areas in which we can make the greatest difference and add the most value is surely economic development and trade, but it does not seem to have been given appropriate priority up to now.

As a result, for my money, the two main strategic questions are whether we should continue to focus only on Malawi—and, if we are to branch out, where we should branch out to—and, secondly, where in Malawi we should focus our efforts.

Jack McConnell: On the first question, we must recognise that although dozens of new classrooms have been built that might not have been built if we had not launched the initiative back in 2005, although Malawi's health service has improved as a result of the efforts of Scottish volunteers, and although, on the advice of Scottish business, businesses in the country are now identifying export markets productively, Malawi—whose population is 12 million—is significantly larger than Scotland. We might talk about two small countries working together, but there is an awful lot of work to do.

We have only started the work of creating a sustainable prosperous future for Malawians. To this day, the majority of schools—even primary schools, which most youngsters attend—do not have desks, blackboards, pens and paper, and the country is short not only of 20,000 teachers but of 20,000 new classrooms in which to house primary schoolchildren properly. That is not to mention the need for change and development in secondary schools and for expansion in the college and university sector if Malawi is to compete in the modern global economy.

As far as its health service is concerned, Malawi still has one of the highest levels of mother-to-child transmission of HIV/AIDS and too many babies

are still dying during or immediately after birth. The scale of the problem is huge, and it will take years of sustained effort by Scotland to make those of us who visit Malawi feel proud of our achievements and not embarrassed that, despite our 150-year friendship with the country, it is still in such a state.

As a result, I argue strongly that our primary focus should remain on Malawi. That said, I should point out that the international development policy was introduced not just to help Malawi but to allow Scots to contribute to international development throughout the world, so it is only right and proper for the Scottish Government and Parliament to help to support other people if they can do so. Scottish teachers or nurses who volunteer to work in Nigeria, Haiti or south-east Asia should be supported through organisations such as Voluntary Service Overseas in exactly the same way as they would be supported if they wanted to work in Malawi. Of course, the difference is that, in Malawi, the focus on Government and public services and on encouraging the private sector to become involved can make a sustained and noticeable difference.

On Mr Neil's second question, I know that some reservations have been expressed about the range of education, health, economic development and governance issues that are covered in the co-operation agreement. However, I think that it would be hard to exclude any of those four areas. As the Malawian Government has accepted, Malawi needs to improve its governance if it is to retain the international community's confidence and to be a healthy democracy. I am sure that the process can benefit from the Scottish Parliament's support.

In relation to education and health, the absolute immediacy of the need and our country's history in medical education, research and services and in education give us a helpful focus. I agree with Alex Neil that economic development should remain part of the mix because without a healthy economy, growing businesses, more exports and more products and services in Malawi, the Malawian public services, economy and communities will not be sustainable and prosperous in the future. Therefore, economic development is vital. It is a long-term project.

Two weeks ago, as well as the agriculture project that I mentioned, I saw Scots helping by giving advice on cotton production, which has not been extensive in Malawi until now, although it is hoped that significant improvements will take place in the next year. I know that Scots are advising on microfinance and that at least some secondary schools have an enterprise education programme, which has been supported from Scotland. I visited Mzuzu secondary school, where there is a terrific little enterprise education project.

Youngsters are thinking about the kind of businesses that they could set up in their communities to service a need, and so provide them with income and help the community. That project is similar to projects in Scottish schools.

We can contribute to economic development, partly through successful businesspeople in Scotland giving advice, encouragement and support, and partly through Malawi taking on practices that have developed in Scotland in recent years to create a more entrepreneurial and less dependent culture.

Iain Smith (North East Fife) (LD): One accusation that has been levelled at the international development programme is that the contribution that Scotland makes through it is so small that it cannot really make a difference when compared, for example, with the contribution through the DFID budget. Even if we consider Malawi alone, Scotland probably makes a bigger contribution through its contribution to the DFID budget than it does through direct support by the Scottish Government. How do you respond to that accusation?

Jack McConnell: That is why the policy was never focused on the financial contribution. It was, and remains, important that we have a grant scheme that can support activities in a reasonable and measured way, although the focus of devolved Scotland's international development policy has been on complementing what happens elsewhere, not on trying to duplicate, or compete with, other work.

We can argue for others to contribute more—we should be a voice. We should not only support Scots and simply allocate resources; we should speak out for Malawi. The fact that our support for Malawi has been vocal and the fact that the Scotland Malawi Partnership is known about outside Malawi and Scotland have contributed to other countries allocating more resources to Malawi. The partnership has led to many international charitable foundations, not least the Clinton Hunter development initiative, being more involved in Malawi today than they were three years ago. We can influence the resources, but our policy should not be just about resources; it should also be about people.

To those who think that the contribution is negligible, I say that I do not think that anybody who has visited Malawi would agree. Only people who have not been to the country could have that impression, although I do not blame them for having it. If you visited any part of the country, you would hear people talk about Scotland, and not just with an historical appreciation of Scotland's role, as would have been the case back in 2005. Today, you would hear people talk about what is happening right now in their village or town, their

industry, their school or university or their hospital. I presume that the committee will at some point take evidence from somebody who represents Malawi—I certainly advocate that the committee do so if it has not already organised that. The committee would find that anyone from Malawi today who is at all representative would say that throughout Malawi the contribution that Scotland is making is noted.

The situation was best described to me in the historical context by one family who were aware of what is called the first coming of the Scots, which was the intervention of the Scots 100 years ago by building roads, churches, schools and hospitals. The family said that there is now a “second coming” of the Scots—that is an apt description and shows the sort of momentum that we were trying to create.

Iain Smith: I have a question on development education and the role of schools, which I think is of particular interest to Jack McConnell. You mentioned the number of schools that are involved with Malawi. We have heard evidence that some of the partnerships between schools are not necessarily the most appropriate, because materials might be donated that are not actually of much use to schools in Malawi. How do we ensure that development education is embedded in the curriculum here, and that it is beneficial to both partners—to children in Scotland, who gain knowledge, and to the children in Malawi or in other places where partnerships have built up?

Jack McConnell: I will answer that while explaining a bit more about the concept of mutuality that we put at the heart of our partnership three years ago. It has been said to me that it is wrong for Scotland to gain anything from the partnership, and that we should simply make a contribution, but I do not agree with that. Young Scots in particular gain a better understanding of the world and a better knowledge of our place in it from the partnership, so we can become a better society as a result. That is what I mean by mutuality. We gain, as we become a better place and our youngsters become better citizens in the global community.

Development education has a key role to play. The development education that is taking place in Scotland's schools has, in my view, been transformed in the past seven or eight years. The youngsters who are benefiting from that education—particularly in Scottish primary schools, but also elsewhere—will have a radically different approach to and understanding of the world, compared with the generation before them.

In the past few weeks, I have visited schools as diverse as Kilmacolm primary in Inverclyde, Holyrood secondary in Glasgow, and primary schools here in Edinburgh and in my constituency

of Motherwell and Wishaw. Youngsters have an understanding of the cultures and needs of developing countries, which I do not believe they had a decade ago.

At Holyrood secondary school, for example, 25 senior pupils aged 16 and 17 have raised £40,000 over the past 15 months to build two classrooms in Malawi, and will have an official visit in June. That has an impact not just on the secondary school, but on the whole community around it, which helped to raise the money.

At Kilmacolm primary, the committee of 10-year-olds who are organising a twinning with Malawi explained to me how they got involved and had become excited about the project. The teacher knew a bit about it, and the pupils had seen some photographs. They had all written letters to the kids in the school in Malawi. However, they had been really disappointed not to have received replies. One of the 10-year-old girls told me, “We worked out that it was because they don't have any paper and pens. If we didn't send them paper and pens, they couldn't reply to us.” That is a germ of knowledge that will stick with those kids forever. Development education is widening the horizons of Scottish schoolkids, and it is giving them a perspective on life that will be important for the country, as well as for them, in years to come.

School twinning and partnerships are difficult to achieve: we should not underestimate that difficulty, particularly when we are dealing with schools that do not have internet access or access to proper resources. There can be disappointments, but there can also be a real enrichment of both cultures. Where that is working, it is working very well.

Ted Brocklebank (Mid Scotland and Fife)

(Con): I associate myself with Alex Neil's remarks about the role that Jack McConnell has personally played in developing our links with Malawi. I agree that future generations will look back on what the Scottish Parliament has done as an achievement.

As we have taken evidence over the past few weeks and months, there seem to have been two strands to the contributions. One view has been that international development funds should be strategically awarded, but another has been that they should be more focused on particular projects. On which side of that argument would you come down? Should we hand over the money and let people get on with it, or should there instead be supervision of specific projects?

10:30

Jack McConnell: Disbursing grant schemes is the curse of ministers and Government officials. It is always difficult to please everyone. Sometimes the grants go to the right project and have a

massive impact, but sometimes they have less of an impact and we have to learn from the experience.

Scottish Government funding to support this policy needs to be a combination of a grant scheme to which people apply and which is transparent in its decision making, and occasional targeted support for particular projects. It cannot be one or the other. It is important to have an annual round of transparent grant-in-aid decisions—I hope that the new Scottish Government will do that again soon—but, at the same time, opportunities will arise to allocate funds to a particular end. I mentioned VSO and volunteering, for example. In the medium term, national support for the pension contributions of public sector professionals who want to volunteer abroad for a year or two would be a great incentive to increase the number of people who do that. That requires a national fund rather than a grant to another body.

We need a combination of both methods. I advocate strongly that the grants should be monitored so that people do not use any grant money for the substitution of existing activities or for excessive administration here in Scotland. The allocation of money must support activity in Malawi as much as possible.

Ted Brocklebank: My second point has a bearing on what you were saying about volunteers and about making it possible for people to volunteer their services while maintaining their pension contributions. One of your recommendations is that a national contact point should be resourced and put in place so that materials could be directed towards Malawi in particular. Do you agree that such a national contact point could also be important in letting those who wish to volunteer and who have particular skills that they want to take to Malawi know who to get in touch with? A number of people have told me that they would like to do their bit but they need to know how to get involved. Should there be a national contact point for people who want to offer their services?

Jack McConnell: That is one of the reasons why I am enthusiastic about the committee's inquiry and the timing of it. Three years on, it is right to review what has been achieved and to learn from it. Now is the right time to move on to another stage. When we started to work on the policy back in 2005, many things had to be driven or supported directly by the civil service, with the close involvement of ministers. The momentum is now so strong that much of that activity can be carried on even more effectively outwith Government, with the support—perhaps financial—of Government.

In areas such as volunteer co-ordination, the transportation of goods, and the provision of basic

information and advice, for example to schools that want to twin or to groups of nurses or health service professionals who are thinking about making a contribution to training or whatever, it could be useful to people in Scotland who want to make a contribution to have a national contact point in Scotland that is accessible, well informed and flexible.

At the other end, the same is true inside Malawi. There are people in Scotland who know the kind of contribution that they want to make, but they do not know who to speak to in Malawi. Furthermore, there are people in Malawi who have been contacted directly by willing volunteers in Scotland. Those people in Scotland will have the best of intentions but, if you are the head of a small school in Malawi that has a teacher and equipment shortage, with all the day-to-day pressures that that brings, the time that is taken up by being contacted directly by teachers in Scotland, who want to be helpful, may in fact be unhelpful.

There needs to be a national contact point in Scotland that serves as an information exchange, an organiser of the transportation of goods and a provider of advice to volunteers. In addition, there needs to be somebody inside Malawi who can help to ensure that people here talk to the right people there and that the right advice is given so that, for example, people with a particular specialism in Scotland who want to contact a location in Malawi to share that specialism can be pointed in the right direction.

Alasdair Morgan (South of Scotland) (SNP): Your second recommendation is:

“There should be more effective coordination of the transportation of supplies to Malawi.”

I suspect that there would be no dissent in the committee about that. However, it is clear that there is potential for tension at some stage between supplying goods and stimulating the Malawi economy, which Alex Neil talked about, particularly when goods can be produced in Malawi at a much lower cost. How do we strike a balance between those two approaches? You say in your paper:

“a national contact point ... would identify a positive need for goods that are available”.

Are you saying that one of the duties or jobs of the national contact point would be to say to people, gently or otherwise, “Really, that isn't something we should be trying to supply. Either the people in Malawi can do it themselves or we should stimulate them to produce those things themselves”?

Jack McConnell: Yes. We should be in no doubt that the objective of the policy should be to create a sustainable economic future for Malawi in

order to grow the economy and eradicate poverty there, and to help elsewhere, too. However, if you are a college principal or a headteacher of a secondary school in Malawi and there is no desk in the college or no computer in the school, even though there is an internet link, or if you work in a hospital or are a patient, and there is no bed, then the short-term provision of surplus equipment from Scotland will make a difference right now. We should not second-guess them. If you meet those involved in education or the health service in Malawi, they will say, "The idea in the developed world that these goods should not be sent to us because we should make them ourselves is nice in theory, folks, but I've got an immediate problem here because I've got a service to run and, frankly, it would be great to have them."

The transportation of goods is an important short-term measure that reduces waste in this country and helps Malawi. However, it should always be done to meet a positive need that has been identified. There is no point in spending money to send goods from Scotland to Malawi if that money could be better utilised inside the country to help to create the goods. We must always exercise our judgment about that. As the years go by, Scotland's experience in this area will mean that our ability to make such judgments will improve. Further, the better the contacts we have inside Malawi, the easier it will be to make the right judgments. What I tend to do in these situations is speak to somebody in Malawi. I get contacted a lot by people in Scotland who want to make a contribution of some kind; they are perfectly willing to hear the answer no as well as the answer yes because the reason why they want to make the contribution in the first place is to be helpful.

Gil Paterson (West of Scotland) (SNP): I have never been to Malawi, so I am forming my view of it primarily from the evidence that we are taking. We have heard from witnesses and from Alex Neil about food not being gathered and just lying in the ground because of expertise not being available. Over the past three weeks, we have heard about the world food price crisis. Knowing the expertise in food processing that we have in Scotland, I wonder whether there is an opportunity now to consider a scheme that would help Malawi in that respect. I am conscious that, as you said at the start, it is a two-way street, in that both Scotland and Malawi stand to gain. Such an approach is helpful in many areas and is a good way to operate. Is now the perfect time for someone to take up the cudgels and consider a food processing scheme that would benefit both countries?

Jack McConnell: When we first got involved in the Malawi initiative, it was my impression—and, I am sure, that of most people—that when we

talked about skills transfer, we had in mind teaching and nursing or the medical professions. However, the more I have learned about Malawi and its economy, the more convinced I have become that expertise in business is just as critical for the country's future as expertise in those life-saving or life-enhancing professions. Food processing is a key part of that.

In a world in which tobacco is becoming a less and less acceptable commodity, the fact that tobacco is the dominant crop in Malawi leaves the economy open to challenge. There is a substantial crop of maize every year and there are substantial crops of nuts and of some other types of agricultural produce, but there is very little processing.

Over the past 20 years, we in Scotland have learned that, for fish and basic agricultural produce, the processing end of the industry is the value end and is the key to a successful future. The skills that we have in food processing could be transferred to Malawi and advice could be provided, partly by our national agencies and partly by the private sector. Some highly positive approaches have been made to me by significant figures in the Scottish agricultural sector, who are keen to help. I offered that assistance when I met the agriculture minister in Malawi just two weeks ago.

I mentioned aquaculture. The University of Stirling, which is probably the best place in the world for aquaculture research, is now involved in a significant development in Mzuzu in the north of the country, where there is a lake—the third biggest in Africa—that has an incredible variety of fish, but where little processing takes place. The aquaculture industry in Malawi has a big future. Other industries, such as those in cotton and nuts, are not as developed as they could be. In such areas and in others, Scottish expertise could be extremely useful.

Gil Paterson: Finance would obviously be a big element of any such scheme. Westminster has given the Scottish Parliament great encouragement to proceed with its Malawi initiative. Is there scope to go a step further? If we could develop a scheme that would please both countries, by contributing to the Scottish economy and having a lasting effect in Malawi, given the circumstances in which the world finds itself—not a million miles away from Malawi, there is rioting in the streets over food prices—could we go straight to the World Bank with it? Should we raise our game and make a direct approach rather than follow the Westminster route? Would that be a possibility?

Jack McConnell: All those avenues are open to us. I said in my paper that the Malawi initiative is

the exclusive preserve of no one, and I genuinely believe that.

During my visit two weeks ago, I took part in a discussion about the possibility of the World Bank engaging in a project that is supported by the Clinton Hunter development initiative. Projects that have a particular Scottish angle and for which there is support in Scotland are precisely those that would be worth pursuing. The Malawian economy is primarily based on agriculture. No matter how much support we provide for manufacturing or the development of a service sector, the economy will remain based on agriculture in the immediate future and in the medium term. Scotland has expertise in that area.

10:45

Gil Paterson mentioned the World Bank; I would also mention the European Union. The EU is providing financial support for projects that link work in European member states with work in Africa and elsewhere in the world. Some of the Scottish projects that have been talked about could now secure support from the EU, which would be very helpful. The Scotland Malawi Partnership could be one of the best examples of the kind of partnership that the EU is trying to encourage between the peoples of Europe and the peoples of Africa. Therefore, I would not restrict our thinking to the World Bank but would consider other international sources as well.

Gil Paterson: Thank you.

Irene Oldfather (Cunninghame South) (Lab):

My question follows on from that answer and picks up on the issue of governance. We have seen an impact in health and education projects, but an impact on governance is perhaps not so immediately apparent. Non-governmental organisations have been telling us that our work should concern poverty reduction and health; they have not been so keen on stressing the importance of the governance strand of our work. However, people such as Colin Cameron who have lived in Malawi have pointed out to us that the governance strand is very important and that there is a democratic deficit in local government and there are ways in which Scotland could assist.

It has also been pointed out to us that, at World Trade Organization talks, for example, many African nations are represented by teams of experts, but Malawi tends to be represented by just one person. That can disadvantage the country. Should work on governance be part of the longer-term strategy? Can Scotland assist in that?

In your recommendations, you mention Scottish representation, but you have left it open as to whether that representation would be governmental or non-governmental. You have

experience and you have a clear understanding of the issues. Do you have a preference for one form of representation over the other?

Jack McConnell: Both options have their advantages, which is why I left it open. There would be nothing inappropriate, and there would be many advantages, in having a Scottish Government official with diplomat status in the high commission in Malawi, just as we have in Washington, in Beijing and in the Scottish office in Brussels. However, because we are trying to encourage work that is outside Government and independent of it, and because we are trying to build up momentum in the work between the people of Scotland and the people of Malawi, it would also be appropriate for the Scottish Government to work with someone based in the country who is not necessarily in the high commission but is independent of Government. That could have advantages. However, it would be important for the person to have the authority of having some governmental support, one way or the other.

We cannot divorce support for improved governance from support for economic development and education. Although some of the health challenges in Malawi are long-term challenges, the health work that Scots and people from elsewhere in the world are doing to help Malawi and other countries is vital now, because it is about saving lives in the immediate future.

Work on education, on economic development and on governance is about ensuring the sustainable long-term future of the country. It would be entirely possible—not only in Malawi but in any country in the world, including our own—for positive improvements in economic development and education to be undermined by bad governance. That has happened in the developed world just as often as it has happened in the developing world.

Many people in the developed world talk in patronising terms about corruption and bad governance in the developing world, but there can be pretty disastrous governance in the developed world, which can be tolerated in a way in which it would not be tolerated in some parts of the developing world. We should be a little less patronising on the subject, but we should be honest about it, as the developing world should be and is. When the developing world seeks our help, as it has done, on matters such as freedom of information, the justice system, the independence of the judiciary and the development of the civil service and a parliamentary service, we should be willing to help.

There has perhaps not yet been much transfer of governance skills from local government, but that could happen during the next three years of

the partnership. The Malawian Government has supported a policy of decentralisation to the districts—I think that there are 28 districts, so Malawi is not dissimilar to Scotland in that respect—and there is significant devolved budgeting and service responsibility. Although Glasgow City Council and other local authorities have been actively involved in the partnership, the transfer of management skills for local governance might be beneficial as the decentralisation policy develops. The committee might want to discuss the matter with the Convention of Scottish Local Authorities or comment on it in its report.

The Convener: I will home in on two recommendations in your paper about which we have not questioned you much. On recommendation 4, how does the partnership joint commission work and why do you think that full ministerial participation in the joint commission is important?

Jack McConnell: When the co-operation agreement was signed, we and the Malawian Government wanted a mechanism whereby progress could be monitored and the connection between Governments could remain close. A reason for that is that we need to support Malawian development. The work is not just about making people in Scotland feel good; it is about helping people in Malawi to take the lead in the country's development, by working with the Malawian Government and ensuring that what we do is in tune with its agreed development goals, which is essential.

The joint commission plays an important part in that, by bringing together ministers and key officials from the two Governments. I do not think that it has met for some time and, particularly given the slightly uncertain atmosphere pre and post-election, which we have all experienced, I encourage the new Scottish Government to ensure that the joint commission meets during the next 12 months and beyond.

The Convener: Recommendation 3 might be more controversial. I do not know whether you read the evidence that the committee heard on 18 March, when different views were expressed on volunteering. Bobby Anderson, from World Exchange, said:

"The cost of one volunteer's air fare is the equivalent of a Malawian teacher's salary for a year. Should we keep sending volunteers or should we send the money for teachers' salaries?"

He told us that students at the University of Malawi suggested to him that there should be a national volunteer programme in Malawi, and he went on to say:

"We are shifting our work so that we send far fewer volunteers from Scotland to Malawi. We deploy those

whom we send far more strategically".—[*Official Report, European and External Relations Committee*, 18 March 2008; c 553-4.]

I do not know whether those comments amount to a coherent view, but they demonstrate how people are wrestling with the dilemma. You strongly support volunteering from this country; how do you respond to people who have reservations about the approach?

Jack McConnell: The two main areas for volunteering are education and health, although there is an element of volunteering in some food projects. The Mary's meals initiative is able to provide the number of feeding stations throughout the country that it does—and at the price that it does—because it has so much support from volunteers.

However, I am aware of such views about volunteer teachers. We must be careful that we do not spend a lot of personal or public resources on supporting teachers to go to schools for a couple of weeks in a way that might be disruptive rather than helpful, when such money could be used better for other purposes. Because I had heard that view expressed, when I was in Malawi two weeks ago I asked three headteachers whether the participation of Scottish volunteer teachers in their schools in the past two years had been helpful, and all three said that it had been invaluable. We need to listen to them. Such participation can go wrong if it is not properly co-ordinated with the headteacher and does not address an identified need.

Recently, support to continue the pension contributions of participants in the VSO programme has made it easier for people to choose to volunteer. That scheme is still relatively new and uptake has been relatively low, but I believe that uptake will improve significantly as the years go by. The new Scottish ministers have committed to continuing the scheme. I think that a proposal is around to transfer the scheme's resources from the national level to health boards, but health service workers—or teachers—can be under a lot of pressure locally from their managers if they want to use precious resources for such a purpose, so a national scheme might be more successful and more consistently applied throughout the country. I would like that scheme to be expanded into the education sector and not just based in the health service; it could also be useful to other public sector professions.

Alex Neil: You were right to stress that, as part of the inquiry, we should take evidence from Malawians. You might not want to answer specifically now, but from which people at the coalface and at the grass roots in Malawi would we obtain feedback and how would we do that? How do you advise the committee to go about that?

Jack McConnell: I do not want to advise the committee on how to do its business, but you have asked me, so I am happy to express a view. I think that the inquiry would be incomplete if it did not take evidence from the Malawian Government. That is probably best done through the high commissioner in London. The committee has spoken to Colin Cameron, who is that Government's representative in Scotland, but members might also want to speak to the high commissioner in London or one of his representatives.

There may be Malawians here. Bringing people from Malawi specifically to appear before the committee might be inappropriate, but if health or education professionals are here—that could well be the case in the next month—there is no reason why they could not meet the committee informally or formally. I am sure that people in the Scotland Malawi Partnership or in the Scottish Government will know who is in the country. A considerable transfer of individuals is happening, particularly for training, so it would be relatively easy to access one or two individuals who are involved in partnership working.

The Convener: Thank you very much for that and for all your other suggestions and recommendations. The session was extremely useful and has come at exactly the right time in our inquiry. Thank you for taking the time to appear.

Jack McConnell: Thank you.

The Convener: I suspend the meeting for five minutes to allow a change of witnesses.

10:59

Meeting suspended.

11:04

On resuming—

The Convener: I welcome Malcolm Bruce MP, the chair of the International Development Committee in the House of Commons. I thank him for giving up his time during Westminster's parliamentary recess. If he would like to make an opening statement, that would be helpful.

Malcolm Bruce MP (House of Commons International Development Committee): Thank you. I am pleased to have this exchange. Our committee has met members of the European and External Relations Committee informally. We watch with interest what you are doing and are happy to work with you.

I am not here to speak for the Department for International Development—obviously, our job is to hold it to account—but I thought that it might be

helpful to outline the context. I apologise if I tell you things that you know—I am sure that a lot of what I say will be known to you—but the context is relevant.

The department is the major agency for delivering UK aid and development to which, it is worth recording, Scotland contributes a major component—about 560 of the department's staff are based at Abercrombie house in East Kilbride. I know from travelling around the world that a significant number of Scots are actively engaged in DFID country programme offices, and I have met many of them, including some who run quite a few of those offices.

In 2006-07, DFID's programme was worth around £5 billion and total UK overseas development aid was £6.77 billion. That makes the UK the seventh largest of the leading 22 donors. When we look at such figures, it is obvious that the Scottish Parliament's settlement is a niche settlement, if you like, although it is none the worse for that. I understand that the Scottish Government says that it will raise the total to £9 million a year by the end of the parliamentary session and that Malawi is guaranteed at least £3 million. I checked out the UK's ODA to Malawi, which is projected to be around £92 million, with DFID running a £70 million programme. That gives an idea of balance and scale.

When I talk to NGOs and others, they convey to me the fact that the Scottish Parliament's focus on international development has clearly raised public awareness and helped many Scotland-based NGOs directly by providing money through the programme, as well as by encouraging volunteers and fundraising. The committee discussed some of that work with Jack McConnell. I understand that useful partnerships and exchanges have stimulated understanding and awareness. It seems that as time goes on, a volume of experience is built up, which feeds back into the programme and makes it more effective.

The Scottish Government programme cannot compete with the UK programme—clearly, it would not want to get in the way of the UK programme. It seems to me—this seems clear from the committee's discussions about its terms of reference—that the Scottish Government programme can and should add value distinctively, perhaps in association with established academic and NGO links and so on.

A number of development funds and projects in Scotland will outspend substantially the Scottish Government programme. In the north-east of Scotland and Aberdeen, the Wood Family Trust has committed £50 million to development, and I think that Tom Hunter's fund is halfway to £1 billion. I was surprised to find that even the study by IMMPACT—the initiative for maternal mortality

programme assessment—on maternal health run by the University of Aberdeen has been spending more than the entire Scottish Government programme over the past three years, just in the area of maternal health.

It is important to recognise that the UK has achieved the biggest single increase of any major donor—we are currently donating 0.51 per cent of gross domestic product and are on target to achieve 0.7 per cent by 2013. The Nordic countries perform better than that, but of the major donors, the UK is delivering by far and away the best contribution and has made the most serious commitment to achieving its promises.

This year, we have become the largest contributor to the World Bank's international development association and to the African Development Bank. The UK has recently taken up its right to have a full-time director at the World Bank. At £964 million, the UK is the major contributor to the European Commission; we also contribute £308 million to the United Nations. Forty-three per cent of the budget goes through multilateral agencies and, under the International Development Act 2002, 90 per cent of bilateral aid is focused on low-income countries, with only 10 per cent for middle-income countries, of which, unfortunately, Iraq takes the overwhelming majority. The principal achievement that we are aiming for is to reduce poverty, and it has been concluded that the best way to do that is to target the aid at the poorest countries. That is where the money is going.

I offer an interesting point about the millennium development goals, which I notice the committee is discussing. The DFID annual report contains a traffic-light system that shows how well countries are doing on achieving their millennium development goals and, by inference, how the DFID programme concentrates on those.

It is often most difficult to achieve MDGs in the poorest countries, for the obvious reasons that they have weak economies and poor health, education, sanitation and water infrastructure. Some people in the development community tend to say, "Let's put the money where it can be most effective", which is in the least poor countries, because they have the ability to use it. That helps to deliver on the MDGs, but it might not help to alleviate poverty. If the objective is to alleviate poverty, we ought to focus on that, at both the UK and Scottish levels.

I stress that money is not everything and we should not think of everything in terms of money. The UK Government sometimes spends too much time saying how much money it is spending rather than saying how effectively it is spending the money. As a committee, we think that it is our job to look into that. We criticised the department for

its inability to halt or reverse the rising poverty in the occupied Palestinian territories and we called for more aid for Burma. We will seek to establish whether the Government's contribution to multilateral agencies really achieves UK aid and development policies rather than just offering a home for a rising budget with staffing constraints, which would mean that the money is being put in for the wrong reason.

Our most recent reports focused on Afghanistan, the World Bank and maternal health. We are considering the African Development Bank, the World Food Programme, donor co-ordination and the impact of China on development. We will update our report on Palestine following the seizure of Gaza and the Annapolis process. In that context, Tony Blair has agreed to come and give evidence to our committee.

As you are aware, development is a big subject and it is difficult to get to grips with all aspects of it. The Paris declaration identifies a need for greater co-ordination and specialisation by donors and a need to limit the sectors for any donor in any country to three. The European commissioner Louis Michel highlighted the point in a particularly graphic way by pointing out that, in Tanzania alone, there are more than 600 health projects that are run or financed by Europeans and are worth less than €1 million each. As he pointed out, the Tanzanian Government cannot possibly engage with all those projects. That is something to consider.

The Scottish budget needs to add value. I suggest that Scotland finds something that is distinctively related to its aptitudes, capacity and expertise. That appears to be what you are discussing. It is important to build on existing links and not to put too much administrative stress on the countries and organisations that we are trying collectively to help. I notice that your terms of reference include a point about challenge funds. I suggest that countries that have a small civil service and a weak civic society should not have to spend too much time preparing bids for challenge funds. In some cases, it is more effective and less distracting to say, "We've talked to you, and here's the money." I am straying into your territory, but I offer that as a suggestion.

Thank you for the opportunity to engage with you. I am happy to answer your questions.

The Convener: Thank you for that introduction. As you said, money is not everything. I suppose that that was one of the main themes of our previous evidence session, but in spite of that I start with a question about the funds that Scotland has. Other witnesses told the committee that, increasingly, international development donors such as the European Commission and DFID provide funds for the recipient Government to use

strategically, rather than funding individual projects. Is it best for Scotland's international development budget to be used to aim funding in a strategic direction or does funding projects that are run by NGOs represent the best use of limited sums of money?

Malcolm Bruce: I am happy to offer a view on that. To provide strategic funding, we need to have a strategically sized fund. In other words, if we provide central budget support, it has to be significant enough for ministers in the recipient Government to have the time to engage. When the UK Government goes to Tanzania and says, "We are prepared to put £80 million into your budget", the Tanzanian Government is willing to sit down and say, "How are we going to do this?"

In that context, it would be better for Scotland to identify projects in partnership with NGOs or other relevant institutions that are already established and have good, strong Scottish roots. They would be more likely to deliver value, and I suspect that that approach would be less burdensome on the Scottish infrastructure, never mind the infrastructure of the country with which Scotland is trying to engage. I suggest that that would probably be the right balance, but it is a matter for the Scottish Government and the Scottish Parliament to decide.

The Convener: That is helpful. Thank you.

11:15

Alex Neil: I agree with Malcolm Bruce about the need to add value—otherwise there is no point in doing this. I will therefore ask him the same question that I asked Jack McConnell about the strategy that we should follow. My first, key question is whether we should focus entirely or mainly on Malawi or whether we should branch out. If we branch out, should we branch out to Malawi's neighbouring countries, or should we adopt a more broad-brush approach? Secondly, within Malawi, where can we get the biggest bang for the buck? Sometimes that may be about mobilising human rather than financial resources.

Malcolm Bruce: That is a fair comment. I am sorry that I was not here at the beginning of the meeting, but I listened to your exchange with Jack McConnell, and it was clear that the connections, knowledge and understanding that have been built up between Scotland and Malawi over the past three years have the potential to improve the relationship and to develop it in a mutually productive way. That suggests that concentrating Scotland's limited resources in one or two areas makes more sense than trying to spread them elsewhere. The committee discussed whether to have a person based in a country; immediately

you go to more than one country, you have the problem of how many more people will be needed.

The priority ought to be consolidating and building on what you have achieved in Malawi. It is clear from the Government that there are further ideas. By definition, the guarantee of £3 million to Malawi leaves £6 million—when the higher target of £9 million is reached—potentially to spend elsewhere, and spending it in a neighbouring country has been suggested. When the International Development Committee discussed with DFID the Scottish Parliament's role, DFID suggested that if you chose Zambia, that might be a logical development. Again, that would be up to the Parliament. However, if you chose a country in the same area, you could support the projects from one base. That does not mean that you cannot contribute elsewhere in the world—clearly, Scottish NGOs and other agencies operate elsewhere—but you need to determine what the Scottish fund will do directly and what it will do entirely through NGOs. Even so, you are likely to achieve a greater impact by operating primarily in one or two areas, with perhaps some general funding for those NGOs that we think are particularly effective throughout the country.

Your second question was about the bang for your buck inside the country. You have to do your own evaluation. The criteria under the Paris declaration ask donors to co-ordinate, not proliferate, and not to get involved in too many sectors. Perhaps this is because it is fresh in my mind, because it comes up in your evidence or because of the evidence from the IMMPACT study in Aberdeen, but it seems to me that maternal health is an area that is ripe for support. The committee might consider that as an area to which Scotland could contribute practically as well as financially, because of our teaching hospitals and the expertise that we can help to transfer into the country.

Jack McConnell talked about food processing and agriculture, which are other areas in which Scotland's involvement might make sense. I am tentatively exploring what expertise we have in Scotland that would be particularly beneficial to Malawi. We have some expertise in agriculture—because of our colonial past, we are familiar with the climate and environment of African countries. We also have expertise in health—particularly given our teaching hospitals—and education. If we can teach and reinforce training inside Malawi, that approach would seem desirable. It is not that people should never be brought here—it is logical to provide funding for training so that people can come here to improve or enhance their capacity.

It would also complement DFID's effective work to supplement the salaries of health and medical staff in Malawi to discourage the brain drain,

encourage people to stay and increase recruitment. That would be quite a useful partnership in which we could offer Scottish expertise on our own terms but in ways that balance and reflect what the UK Government is doing in other contexts.

Ted Brocklebank: When it was first mooted that Scotland might become involved to some extent in international development, there was criticism from Westminster that Scotland should keep its nose out of other people's business and that international development was not a suitable area for the Scottish Parliament to involve itself in. We have heard about the enthusiasm that has built up since then in Scotland for the model that we are operating with Malawi. What is the view now at Westminster on the initiative that Scotland has begun? Could the model that we have with Malawi, which is more of a partnership or twinning arrangement and has grabbed the public's enthusiasm, be taken up in other countries, perhaps through Westminster?

Malcolm Bruce: That is an interesting point. One of the frustrations that my committee and I have is that we try to monitor all DFID's activity in the sector through multilateral organisations and 64 country operations. Therefore, the opportunity to have a close working relationship with one country or to follow up one country as regularly as you are able to do is not readily open to us. We occasionally revisit programmes but not as often as we would if we were to concentrate on a country. There is clear merit in that model.

The truth is that there are still some people in Westminster who take the view that the Scottish Parliament should not be engaged in international development and who question the need to duplicate, given that DFID is a huge UK department. I do not share that view. I take the view that Scotland can find a role that adds value, is distinctive and generates interest and engagement over and above what would be generated otherwise because there is more than enough need out there for all players to participate.

The question that you ask about the model is perhaps a slight reflection of what I said to Alex Neil. If you concentrate on areas that are not too spread out, are manageable and are proportionate in size to the money involved, and in which it is possible to develop a relationship that adds to the area's expertise, the model has potential and can complement what the UK department does. By definition, one has to be rather more careful with a small budget. You experienced some discomfort when the overheads were criticised, but that is part of the learning process. You do not need to reinvent the wheel—there is a resource to be tapped into. At the same time, you can do things

that contribute to improvements elsewhere. I would be disappointed if DFID or Westminster were so arrogant that they felt that there was nothing to be learned and gained from considering what others are doing. The model that is developing—a close relationship with one or two countries in a few distinctive areas—has quite a bit to commend it.

Iain Smith: Can more be done to develop the relationship between DFID and the Scottish Government's programme to make more use of DFID's expertise and perhaps ensure that we cut some of the overheads but add more value?

Malcolm Bruce: I am a Scottish MP and chairman of the International Development Committee. Four members of our 11-member committee are Scottish MPs. That is partly a function of devolution, because fewer committee opportunities are open to Scottish MPs in comparison with other MPs, but it is also an area of genuine interest. As I have said to Douglas Alexander and Hilary Benn, DFID's activities in Scotland could have a little bit more profile. Nine out of 10 people—including senior policy officials—to whom I mention this are unaware of the fact that DFID has a joint headquarters, half of which is in East Kilbride, where it employs 560 or more people. That office does not exist to promote DFID in Scotland but to deliver its worldwide service. However, a little bit more engagement would be good.

The last time our committee was in Edinburgh, we visited your committee. We then spent a day in East Kilbride looking at the activities there. We suddenly realised that we had not carried out the same operation in London, so we did that subsequently. We discussed the Scottish programme with DFID and asked what the department thought of it. The department's attitude was, "We are here to be available, but we should not be distracted."

As things become more established, we might find better means of co-ordination. Given your concentration on Malawi, DFID could at least indicate what it was doing in Malawi through partnership working with Scottish organisations. It could assist by answering some of the questions that Alex Neil asked Jack McConnell about the people from whom you might take information, particularly Malawians. If you appoint someone in the country, there would be merit in appointing a Malawian, who could speak on behalf of the Malawian people, which would indicate that ownership was with Malawi, not Scotland.

Iain Smith: DFID has a huge international development budget, as does the European Union, but Scotland has a very small one. Money is being put into international development, but the practices and policies of the EU and the UK

Government in relation to trade might be inhibiting development in poorer countries. Could the Scottish Government, the Scottish Parliament and NGOs in Scotland do more to influence those practices and policies? Could we use part of our relatively small international development budget to promote good practice in relation to what the Scottish Government does and to encourage the UK Government and the EU to change their practices?

Malcolm Bruce: You could do that. However, this is the one occasion on which I want to argue the case for the UK Government. In most cases, the problem is not the UK Government but other Governments and agencies. The UK Government has an anti-poverty strategy and a set of values, which it prosecutes energetically, although it does not always do so as publicly as it might. That was part of the basis of what we just did with the World Bank. The UK has just voted to give £2.2 billion over three years to the World Bank international development association. Until the end of last year, we had a part-time director, but we now have a full-time director. We tried to explore whether, as the biggest bilateral donor, we have influence over how the World Bank operates. The answer was that we possibly do not have enough influence, but neither do the developing countries, and we also have to press that point.

The same applies to the European Union. I know that you were talking about meeting the European Parliament Development Committee. We have met Louis Michel and his officials more than once. They tend to say that the Commission would like to reduce poverty and target poorer countries—that is the UK policy—but the trouble is that other member states want to use development policy for political foreign policy purposes. Some countries want to use the near-neighbour policy, which is to use development money for countries that are already fairly well developed in order to bind them into the European Union. That is a perfectly legitimate policy, but it is not a development policy. They also want to put conditions on their arrangements with some developing countries.

The views of the people of Scotland and the NGOs in Scotland are probably similar to those of the UK Government. The answer is to argue those views wherever appropriate. In that context, there is no disagreement with the UK Government.

Our committee has been outspoken on trade, on which we have produced two reports. The first related to the Doha round—or non-round—which has not delivered. I happened to represent the committee in Hong Kong, which was about as exciting an event as watching paint dry. As a member of the British Government delegation, I got daily briefings on what the Government was

doing to try to influence the outcome. The European Parliament members were getting simultaneous briefings from the European commissioner for trade—who happens to be a British citizen—which told quite a different story and completely contradicted the British Government position.

However, we are one of 27 member states and that was the agreed policy. As you well know, France would not move. I do not blame the British Government for failing to shift France, but if the auld alliance can have some influence on France, that might be beneficial. In all seriousness, this is a case of working in the same direction and reinforcing the position that international development should be something that benefits poor people in developing countries, not a substitute for foreign policy or a way of enforcing political conditions or extending capitalism. That is not just my view; it is the overwhelming view of our committee. To be fair, it is also the view that would be articulated by the Secretary of State for International Development.

11:30

The Convener: Your answer has broadened out the issues very usefully. Obviously, during our inquiry, we have run into those issues as well.

Am I correct in understanding from what you are saying that there is quite a degree of consensus at Westminster about the approach to international development? I know that you are here as the chairman of your committee rather than as a member of your party, but are there significant disagreements about aspects of international development policy, or is it one of those areas around which there is quite a lot of consensus across parties, as is the case in the Scottish Parliament?

Malcolm Bruce: Apparently, our committee is the most popular committee, in terms of people seeking membership, and many people regard my job as chairman of the committee as one of the most desirable jobs in Westminster. However, being the international development spokesperson for an Opposition party is not an attractive job; it does not offer opportunities for confrontation and headline grabbing because of the degree of consensus that exists.

The Conservatives and the Liberal Democrats are committed to international development. We might want to tweak the Government's policy slightly in order to achieve the goals more quickly or differently, but that is nuance rather than substance. That is reassuring to the rest of the world, as it means that, if there is a change of Government, which could happen in the next couple of years, there is unlikely to be any

significant or radical change of policy. In fact, interestingly enough, the Conservatives' main criticism of the Government has been the Government's constraint on staffing levels because of an across-the-board requirement by the Prime Minister and the Chancellor of the Exchequer that all departments, without exception, should reduce staff. DFID is trying to deliver a sharply rising budget with a static or reducing staffing level and the Conservatives are criticising the Government's policy and saying that the department should be allowed to take on more civil servants, which is interesting in a different context.

I say that in a teasing way because none of that is substantive. The fact is that all the parties are committed to maintaining the increased budget and to delivering our contribution of 0.7 per cent of GDP. The economy is heading into choppy waters but, so far, I have not heard anybody break ranks to suggest that we should start easing our contribution back. If the waters get even choppier, both our committees should stand up and fight to maintain the position that we are bound to that commitment and want to deliver it. That is also why the quality and effectiveness of aid is important. If you start to get scandals and concerns that the money is not being well or effectively spent, public opinion begins to say, "Charity begins at home. What are we doing? Where is the money going?" So far, however, that is not happening and the all-party support for the issue is a significant factor in maintaining the unity that we have.

Alex Neil: If the waters get choppier, that should be an argument for more aid. For example, the price of rice in the Philippines is now so high that many poorer people there cannot buy that staple food, which will cause starvation that was not there before. If things get as bad as they might get, particularly in terms of food prices, we might have to do more than we are doing now, at least in relation to short-term alleviation.

Malcolm Bruce: I agree. However, as you know, the World Food Programme claims to be \$550 million short of its current needs and, so far, has not been successful in topping itself up. Our committee also had a slight disagreement with the Prime Minister, who said that the World Bank should become an environment bank. We expressed concern that that might lead the World Bank away from being a poverty reduction bank. For example, if climate change suddenly became the issue of the day, development money might be diverted to tackle climate change instead of it being recognised that tackling climate change possibly requires extra resources. Certainly, the issue of climate change should be built into the development strategy, but not at the expense of

poverty reduction and the overall objectives—the millennium development goals and so on.

My answer is that you are right, but it is harder to do that. The first thing to do is to maintain solidarity. We are already making commitments to increase the aid budget by 8 or 9 per cent a year over the next few years. If we hold to those commitments, at least the United Kingdom can stand up and say that we are keeping our promises, which not many countries are doing at the moment.

Alasdair Morgan: Let me take you back to what you said earlier about DFID's budget in Malawi being used partly for salary supplementation in certain skilled occupations. That is contradicted by the fact that UK immigration policy is increasingly based on allowing people in who have relevant skills. We also have the fresh talent initiative in Scotland. Both of those policies are potentially detrimental because, although not all the immigrants will come from countries at which the development aid is targeted, many of them will. Is there any real solution to that conundrum apart from more salary supplementation?

Malcolm Bruce: There is no obvious easy solution. At the moment, the UK is an extremely popular destination for legal and illegal immigrants. That is a compliment in a way, but it is also part of our problem. We must recognise that although a constructive visa policy is an important part of development, it is problematic because people come here for the best of reasons and then stay. However, there is evidence that people can be induced to come here to get skills and then go back. The right thing to do might be to find ways of doing that.

In Malawi, there are endowment arrangements whereby people can get money from the Malawian Government to train as nurses or doctors provided that they sign an undertaking to stay on and serve there for four years after they have completed their qualification. In addition to that commitment from the Malawian Government to fund the training, the UK Government is saying that the salary that those people will receive will be 57 per cent higher than it would otherwise have been. That seems to have had an effect in terms of both discouraging emigration and encouraging recruitment within Malawi. It is a good model, but it is not clear how far and across how many countries it can be replicated. Also, it has a time span according to DFID's budget. What happens if DFID stops paying for the supplementation and the Malawi Government's budget has not increased enough for it to take over all or part of that? That will be the test.

We must find innovative ways of bridging the gap. Alex Neil made the point about incomes. People in Malawi earn 1 per cent of the income of

people in the UK. It is a political campaign for all of us to tell people in the UK that they are rich, even though they do not think that they are. People in Malawi are really poor. They need to know that the mechanisms that we can use are really helping them to be less poor and to solve their own problems. That is not a full answer to your question; it is a partial answer. We need to find clever solutions that help people to deliver improved capacity in their own countries, as that is what they desperately need.

People will tell you that Africa faces two problems in particular. The first is the lack of further and higher education in Africa, which tends not to feature in the development budgets of any countries, although African leaders are always calling for that. It is not just a matter of prestige. The second problem is the fact that the diaspora remits a huge amount of money in ways that are unfocused and uncoordinated—rightly so, as those people are sending money for personal reasons to their families. My view is that we should listen to the diaspora, but not for too long, not too hard and not instead of listening to the people who still live in the African countries.

The Convener: Two or three answers ago, you mentioned Europe. As the European and External Relations Committee, we have a particular interest in Europe. On Europe day, we are holding a conference in the Parliament for schools on Europe and international development, and it would be useful to draw on your expertise for that purpose.

You mentioned a difference at the trade talks. If you could say more about that, that would be useful.

I also want to look at two areas that have been debated in Parliament as well as raised with the committee. First, your committee's report on fair trade and development was invoked in the Parliament's recent fair trade debate and it would be useful to find out your committee's view on whether, under European procurement rules, social and environmental criteria could be applied to ensure that Governments can make procurement decisions based on fair trade considerations.

Secondly, I do not know whether your committee has touched on the economic partnership agreements that the Commission is pushing. Do you have any views on that, particularly given your earlier remark that you received a somewhat different briefing to the other European delegates?

Malcolm Bruce: I think, to put it bluntly, that the UK Government recognised that abolishing food export subsidies was a sine qua non of the Doha development round; however, the EU trade representative was either unprepared or unable

under his mandate to concede that point. What then arose were spats between the EU and the United States over who was or was not willing to give the most; the answer was that neither of them was giving very much. Indeed, a Conservative member of the committee, John Bercow, very eloquently wondered why, if free trade was such a wonderful thing, it was not practised by the two most protectionist organisations in the world: the EU and the US.

The fundamental point was that Doha was supposed to be about free access to our markets without preconditions being put on any response. However, as yet no agreement has been reached because Europe—that is, the EU—and the US wanted something in exchange. That belies the whole principle of the Doha round. The EPAs simply substitute for that agreement and some felt that, by proceeding with them, we removed some of the pressure.

Moreover, because the European Union wanted to agree—I was going to say “impose”; but that would be a bit unfair—the same conditions with the Southern African Development Community, with west Africa and with east Africa, some countries wanted a little bit more time to work out their own regional arrangements. Because not all the countries were in line, it was not felt that such a move would be fair.

As for fair trade, I am pleased to say that when the Secretary of State for International Development announced an increase in funding to the Fairtrade movement during Fairtrade fortnight he prayed in aid our report as having influenced his decision. We found that fair trade has grown phenomenally—indeed, exponentially—over the past few years, which is a fantastic achievement. Furthermore, it has the advantage of being something that everyone can do. Anyone who wants to feel that they are doing something for international development can actively seek out and buy Fairtrade products in the knowledge that by doing so they are helping poor farmers in poor communities.

That said, the danger is that people think that, by buying such products, they have done their bit. It is estimated that between five million and seven million people benefit from improved living standards as a result of the Fairtrade movement; however, that is only a tiny proportion. The fact is that two billion people are living on less than \$2 a day. As we pointed out in our report, we felt that although DFID should support fair trade, it should also try to find ways of getting the Fairtrade movement to reach the poorest farmers and producers in the poorest communities. Many Fairtrade products come from countries that are not the poorest in the world, although I am glad to say that the number of exceptions is increasing.

Like, I suspect, many committee members, I have been visiting a lot of schools to talk about fair trade—in fact, I am making such a visit this week. Although I encourage pupils to engage and take an interest in fair trade and to buy Fairtrade products—as long as they are good enough, of course; I do not think that people should buy second-class products just to help the cause—I also ask them to recognise that there should be much fairer trade arrangements and that they should support many other forms of aid and development. Fair trade is a useful niche, but it makes only a small contribution to the overall solution.

11:45

Irene Oldfather: I thank you for your information on contracts and training, which seem to me a much more sustainable way of encouraging people to stay in Malawi. Alasdair Morgan asked about supplementing salaries, about which I have serious reservations. That approach seems unsustainable for reasons that you mentioned.

You listened to the exchange that we had about different viewpoints on volunteers. Given the significant experience of the House of Commons International Development Committee, does it have a view on the role that volunteers can play in developing countries and on whether or not that should be encouraged?

Malcolm Bruce: Our committee has not done a targeted inquiry on the role of volunteers, although, obviously, the issue arises. There are mixed views on volunteering. The trouble when one talks to people about development and volunteering in Africa or in poor countries elsewhere in the world is that they think about food parcels and have images of people on gap years and of people building orphanages. Such things have a role to play, but I give the example of what happened during a visit to Afghanistan last year. The minister with responsibility for education there said to us, "Please do not build me any more schools. They raise expectations and I haven't got the teachers to fill them. There's no co-ordination between what the volunteer organisations are trying to do and what we have the capacity to fulfil." That is where ownership and partnership must work. What is being done must meet the relevant Government's ambitions and capacity. The minister was an extremely impressive and articulate man who clearly knew what he was doing. He was delivering education where it had not been delivered before, but he was being besieged by people saying, "Somebody came and built us a school. Where are the teachers?" He could not provide such teachers, particularly in difficult areas.

The idea behind supplementing salaries is to do so over a period of time while working with the relevant Government to build up its economic strength, its tax-raising powers and its budgetary expertise in the hope that a point will be reached in a few years' time at which it will be able to take over all or part of the system. There might be a tapered approach. However, it is clear that the objective is to have an exit strategy, as supplementing salaries is unsustainable in the long term. We have no direct recruitment policy—indeed, we have a policy not to recruit—but our approach keeps people where they are needed and relieves pressure here. As you know, the United Kingdom national health service will not recruit key health workers from Malawi, but the private sector or other European countries might do so, and once people have arrived in Europe they can move, so there will be Malawian-trained nurses and doctors working in our national health service. Although it is impossible to manage away from that, the objective is to do so.

Obviously, volunteers are a resource. They are not a sustainable resource, but they do not cost money, and they are valuable if they are properly co-ordinated, are aware and meet the country's needs. Volunteers may provide the most basic first aid in countries in which it is difficult to operate. Darfur is possibly not a good example to give in that context, as operating there is impossible, but volunteers may do what nobody else could or would do and lives may be saved—or at least individuals may be helped—thanks to them. I would never want to discourage volunteering but, like the best of intentions, volunteers can get in the way and sometimes compromise what the Government is trying to achieve.

Irene Oldfather: Is there an exit strategy in relation to supplementing salaries? Is the strategy time managed or open ended? You may not know the answer to those questions.

Malcolm Bruce: It is time managed and is probably not far away from ending. I think that it was a five-year initiative; it has been running for three or more years and will come to an end in the next year or two. Scotland could not take it over. I do not know what cost is involved, but it represents a significant chunk of a £100 million programme. However, in deciding your priorities, perhaps there will be room for discussing with DFID whether an appropriate partnership exists, particularly if Scotland is engaged in training. That may be helpful. I guess that it would be difficult for DFID simply to stop the scheme, even if that is the intention. I am sure that that will be negotiated and an evaluation will take place of the shifting priorities in the Malawian budget and how much stronger it is. The financial situation in Malawi has improved, but it started from a very low base.

The Convener: You will have heard in our questions to Jack McConnell a question about raising awareness of international development issues in schools. Has your committee considered that issue and is it a feature of policy in Westminster, or is it not really an issue that is to the fore?

Malcolm Bruce: The committee has not considered that, but individual members have. Not a week goes by when the committee meets without a member engaging in their constituency or region by talking to organisations and schools of all kinds. There is strong engagement with NGOs, charities and institutions of all kinds and a constant to and fro in the Parliament, with individual members of Parliament lobbying the committee. However, more could and should be done to raise awareness. Whenever we talk about development to an adult audience, never mind a school one, people have in mind food aid, volunteering and projects, but the concept of budget support is alien to many people. An awful lot of people still think that we give money away and it goes into Swiss bank accounts and does not come back. However, people who are engaged in the process know that that is not true and that if it were true the commitment to international development would collapse.

It is sometimes difficult to prove how effectively money is being spent, and the Government has been caught on the hop on at least two occasions recently—in Uganda and Ethiopia. The conduct of the Governments in those countries, with corruption in the case of Uganda and democratic repression of some kind in Ethiopia, led to the UK Government cutting back direct budget support. However, it is interesting that, for Ethiopia, the UK Government came up with an alternative called the protection of basic services. Rather than simply hand over the money, there is now a highly managed form of budget support that is run jointly by the Government of Ethiopia and DFID. That has led to the situation in which Ethiopia is the single biggest recipient of UK development money in Africa.

There are alternatives, but the general public find such matters a little esoteric and difficult to grasp. Those alternatives are not the whole answer, but they are a significant chunk of it. If we consider bilateral aid, about 29 or 30 per cent of UK money goes to direct budget support, whereas 43 per cent goes to multilateral agencies such as the World Bank or the European Commission and is therefore delivered at arm's length. Therefore, only about a third of DFID's budget is managed directly by DFID staff, and even some of that goes on sectoral support.

The issue is hugely complicated, but it is worth engaging with people to make the classic point

that we are trying to help countries to help themselves, by helping them build up an economy, generate a revenue base, sustain a budget, run health and education services and develop infrastructure—all things that we take for granted. Budget support is, ideally, a bridging mechanism, but it may be a long bridge and the process may take a long time. To pick up on something that Alex Neil said, we need to say to people that some countries are very poor and we are very rich and that sometimes our behaviour keeps them poor, in spite of the aid and development work, so we should not begrudge those countries the little that we give directly. We should also try to change the terms of trade. It has been said that a 1 per cent improvement in the terms of trade between Africa and Europe would provide more money than all the aid and development money that is spent in Africa.

The Convener: There have been improvements in debt cancellation since the Gleneagles summit, but have there been any improvements in trade in recent times?

Malcolm Bruce: Yes, but mostly because of commodities, and that presents its own problems. I can think of good and questionable examples of that. A good example is that of diamonds in Botswana and Namibia, where the arrangements ensure that those countries' diamond resources are used to benefit them, openly and transparently. However, that is a small population base.

The other example is cocoa in Ghana, where there is a guaranteed price from the Government. Recently, Cadbury committed more money to invest in agriculture to raise productivity levels and improve the earnings of farmers.

Turning to Fairtrade coffee deals, Ethiopia recently had a spat with Starbucks. The company's senior vice president for corporate social responsibility flew from Seattle to our committee and I am glad to say that, in the process of giving evidence, she apologised to the Government of Ethiopia and she admitted that the litigation was damaging Starbucks's image as a company that prided itself on fair trade practices.

Clearly, there are worries about oil, timber and some minerals, especially in countries with ineffective Governments, such as the Democratic Republic of Congo, Angola and Sudan. I also highlight the intervention of the Chinese. Our committee is visiting China in June, and we wish to discuss partnerships. It is worth recording that, for all our discussion about it, China is committing more aid and investment to Africa than the rest of the world put together. China does not call it aid and development, however. As far as it is concerned, it is simply having a trading partnership with Africa. Whether that is entirely

equal is a matter for debate and discussion, as is whether it is consistent with international standards. On the positive side, the Chinese seem to want to engage.

As long as commodity prices rise, there is significant potential for African countries with resources, provided they have good governance and fair agreements. I know that the Scottish Catholic International Aid Fund has been investigating mining contracts in Zambia. It and other organisations—SCIAF is not claiming sole credit—have brought pressure to bear, which is enabling the Zambian Government to renegotiate some existing mining contracts so that it can secure more revenue, which it will hopefully use to deliver the services that people need. There are some positive dimensions to the situation, although it is patchy. As has often been said, however, Africa is not one country, but 53, and they are very disparate.

The Convener: Like all your previous answers, that was extremely useful. Thank you very much for taking the time to come here.

Item 3 will be taken in private, as we agreed at the beginning of the meeting. We will be considering a draft report, and those items are routinely taken in private, so I am afraid that I must ask everyone to leave the public seats. I thank everyone for coming, and I thank Malcolm Bruce in particular.

11:58

Meeting continued in private until 12:22.

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