

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 2 June 2009

Session 3

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

9th Meeting 2009, Session 3

CONVENER

*Irene Oldfather (Cunninghame South) (Lab)

DEPUTY CONVENER

*Michael Matheson (Falkirk West) (SNP)

COMMITTEE MEMBERS

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

*Patricia Ferguson (Glasgow Maryhill) (Lab)

Charlie Gordon (Glasgow Cathcart) (Lab)

Jamie Hepburn (Central Scotland) (SNP)

Jim Hume (South of Scotland) (LD)

*Sandra White (Glasgow) (SNP)

COMMITTEE SUBSTITUTES

Jackson Carlaw (West of Scotland) (Con)

Ken Macintosh (Eastwood) (Lab)

Gil Paterson (West of Scotland) (SNP)

Iain Smith (North East Fife) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Ian Duncan (Scottish Parliament European Officer)

CLERKS TO THE COMMITTEE

Lynn Tullis

Simon Watkins

ASSISTANT CLERK

Lucy Scharbert

LOCATION

Committee Room 2

Scottish Parliament

European and External Relations Committee

Tuesday 2 June 2009

[THE CONVENER *opened the meeting at 10:33*]

Decision on Taking Business in Private

The Convener (Irene Oldfather): Welcome to the ninth meeting in 2009 of the European and External Relations Committee. I have apologies from Charlie Gordon, Jamie Hepburn and Jim Hume, and Sandra White will be a little late this morning.

Agenda item 1 is to agree to take items 4 and 5 in private, item 4 being final consideration of our draft report on the European Union's response to the financial crisis and item 5 being consideration of our international work programme. Is that agreed?

Members *indicated agreement.*

"Brussels Bulletin" (Special Edition)

10:34

The Convener: I am pleased to welcome our European officer, Ian Duncan. The special edition of the "Brussels Bulletin" that he has compiled for us is an excellent piece of work. Members will want to raise one or two points, but first I invite Ian to say a few words about the bulletin.

Ian Duncan (Scottish Parliament European Officer): Since the bulletin was put together, the fisheries council has met for the first airing of some of the ideas that are coming along. Members might have read press reports that proclaimed more or less the end of the quota system as we know it, but they were slightly exaggerated. At the meeting, which took place just last week, the fisheries ministers agreed to retain the principle of relative stability, whereby fish stocks are allocated. As many of you will know, that principle is the cornerstone of the quota system, so retaining it severely limits the ability to move in other directions. That was accepted by all the fisheries ministers except the minister from Spain, which has never accepted the relative stability case because it is the one country that does not get anything from it. Spain is therefore keen for the principle to be changed.

The meeting was also keen to move towards acknowledging that the European fleet is too large and that fish stocks need further protection. Ministers are also seriously considering how to address the discard issue, primarily through changes in fishing gear, including nets. There is likely to be considerable activity on that.

Another area of discussion was the movement towards the return of fishing powers of one sort or another. As you can imagine, that was discussed very loosely because it is so controversial, but it was recognised that the "Brussels fixes everything" approach is not necessarily the best approach to the situation. There is likely to be heated debate on the best model to move towards, and I suspect that both Scotland and the United Kingdom will have a lot to say about that.

The Convener: Thank you. The committee held an inquiry into the common fisheries policy some years ago, and I recall that we recommended that a form of regional advisory committees that involved stakeholders—I think we called them zonal management committees—should be put in place. Am I right about that?

Ian Duncan: Yes. That came through in the last big review of the CFP in 2002, and has proved to be successful.

The Convener: Is strengthening of that stakeholder approach being discussed?

Ian Duncan: That is likely to be discussed. You might recall from the earlier discussions that the big debate was about whether the committees should be management committees or advisory committees, the difference being that one would have more power than the other. That is up for discussion, and it remains to be seen how much power the European Commission is willing to cede to the bodies. At present, they bring together the key players: when they reach an agreement, it is difficult for the Commission to disagree with them, so in that sense they are strong. However, in some instances they cannot agree, so their voice is weaker and the Commission has greater strength.

The Convener: That is interesting. Ted Brocklebank, who is our resident expert on the matter, might have some questions.

Ted Brocklebank (Mid Scotland and Fife) (Con): I do not know whether I am an expert, but I do have one or two questions.

Some of us predicted that the regional advisory committees would be relatively toothless. You seem to be saying that their views are taken into account and that they are turning out to be better than was expected. Is not the problem that the zones that they cover are so large that it is difficult to get agreement from the various stakeholders within them?

Ian Duncan: Yes. There are problems with the sheer size of their membership, although the Commission covers all the zones and would seek to manage everything from Brussels, whereas the zonal committees cover smaller units. However, there is general agreement that it will be impossible to continue with the current system. If the Lisbon treaty is accepted and fisheries move towards co-decision, it will be all but impossible to manage fisheries in real time, as they are managed at the moment, and the bodies will grow in strength by default. The real problems that you highlight will have to be addressed through greater co-operation. Otherwise, things will not work.

Ted Brocklebank: I was interested to read in the bulletin that the common fisheries policy was instituted in 1983. I was going to pick you up on that and say, "Of course, it was 1973", but I went on to look at your timeline, and in a sense we are both right. We joined in 1973, and the CFP was only ratified in 1983. Can you remind us why the Mediterranean waters were never included in that deal?

Ian Duncan: Yes. I suspect that politics might lie behind that. The common fisheries policy—so named—was introduced in 1983, but the notion of equal access to a common resource was

introduced in the mid-1970s. At that point—as you will be aware—with the Nordic nations, the UK and Ireland looking to join, a management process was established to manage those common resources in northern waters. Such a process was never introduced in the Mediterranean. It may have been deemed to be too complicated, but there were at that time also no membership issues acting as drivers. Even when Spain and Portugal joined the CFP in the mid-1980s, that was still not a particular driver to address the Mediterranean issues—which I suspect would be complicated even now. If we did not have the CFP in its present form, we probably would not create it in its present form. It is unlikely that we could apply the CFP as we know it to the Mediterranean with any ease or with significant buy-in from those countries that might be affected.

Ted Brocklebank: So, the principle of equal access to a common resource meant access to the common resource mainly around the shores of the United Kingdom.

Ian Duncan: The principle of equal access applies to all waters, but the CFP applies only to the northern waters. That is the distinction. The notion of relative stability in the northern waters was a means to ensure that equity was achieved in so far as it could be based on historical fishing rights and fishing capacities in the past. That was never applied to the Mediterranean. The CFP reaches only the waters that we know well, not the Mediterranean.

Ted Brocklebank: Our trip to Stockholm last week was very interesting. We talked to the Swedish deputy minister who will be responsible for progressing some of these matters. He was particularly interested in the possibility that Iceland might become a member state. Iceland is 90-odd per cent reliant on fishing. If it enters the European Union, it will bring a totally different system of landing and counting fish—its attitude to quotas and so on is entirely different. There was a thought that perhaps Iceland might have something to teach us if it were to enter the EU, and the Swedish deputy minister was interested to see how that might affect the on-going discussions.

Ian Duncan: Yes—that is certainly true. Iceland is very proud of its fisheries management system. It has failings and flaws of which the committee may be aware but, broadly speaking, the stocks around Iceland are in a healthier state than those of the European Union.

I cannot see Iceland easily accepting the strictures of the CFP as it stands. There is on-going debate about that in Iceland just now. One of the arguments that is being put is that, because Iceland's territorial waters do not touch the territorial waters of Europe—there is a zone between—they should be exempt from the CFP. I

cannot imagine that the other member states would be happy to accept that exemption. However, given that the CFP is up for review in the next three years and that there is discussion at the moment about fast-tracking Iceland's entry to the EU, we may well find that the debate on both issues coincides. A number of the successes of the Icelandic system may be hotly debated within the CFP reform, and that may be a way of bringing the two different systems together. At the moment, however, the debate in Iceland is about how they can protect their fish stocks from what they see as being a failed European system.

Ted Brocklebank: Are there lessons that Scotland can learn from Iceland and argue for in the review of the CFP? Iceland has a good record on discards—it has none. The fishermen land everything, count everything and identify which boats the fish have come from, as happens in the Faroese system. There is a total record of what is landed, which boats are landing the fish and where the fish are being landed from. In that way, an area that is being overfished can be identified and closed. Could European partners not take on board the idea of that kind of close scrutiny and transparency? Should not that be of great interest to Scotland, given that two thirds of UK landings are on our coasts?

10:45

Ian Duncan: The simple answer is yes. The longer answer is that Europe has to find a way of responding in real time to fishing issues, which may come on to the agenda at any moment. That is slightly easier for a single state that controls only the waters around it, but it becomes a little bit more difficult when you are trying to manage a multimember state system.

We hear about many positive aspects of the Icelandic system, but one of its major negative aspects came to light during a period of addressing the ownership of fishing rights. Iceland ended up with a very consolidated system: fishing entitlement fell into the hands of relatively few fishing enterprises, so that there was concentration on some of the larger ports, while a number of the smaller ports were, in effect, barren.

A negative aspect is certainly the rights aspect relating to what might be called individual transferable quotas. That is more of a problem, and it will have to be addressed within the broader European system, if Iceland makes the full step up.

I should say that, although the Icelandic Government is very keen to move towards EU membership, it is committed to putting the issue to the people of Iceland in a referendum, so there is a populist aspect that may yet affect the timescale.

Sandra White (Glasgow) (SNP): Convener, I apologise for being late. The issue may already have been covered, but I wanted to ask about the Scottish Government's discussions with stakeholders and about its report. The Commission's consultation closes on 31 December 2009. Can you give us a definite date for when the Scottish Government will make a report?

Ian Duncan: The Commission's consultation will certainly close on 31 December. In order to feed into the consultation, the Scottish Government will have to ensure that its report is ready and available before that.

The Scottish Government also has avenues through which to feed in its views via the UK Government. Many of those views will end up being discussed at the Council. Richard Lochhead attended last week's Council on behalf of the Scottish Government.

The European Parliament will almost certainly conduct a series of inquiries. Again, material from the Scottish Government will almost certainly be fed into that.

I do not have exact dates; I am not entirely certain that the Scottish Government has set exact dates as yet. However, I am sure that they will be forthcoming soon, because the clock is ticking.

Sandra White: Will the committee be able to see any report before it goes to Europe?

Ian Duncan: I would hope so—although the convener will know more than I do.

The Convener: There will be a Scottish Government submission and, I imagine, a UK Government submission. Furthermore, I would think, on the basis of discussions that we have had with the Rural Affairs and the Environment Committee, that there will also be a parliamentary submission. That submission will give stakeholders' evidence from a Scottish Parliament perspective.

We will therefore probably want to keep an eye on three different reports. I have circulated to committee members our correspondence with the convener of the Rural Affairs and Environment Committee, with which this committee has the opportunity to engage. We could input to the process and, at the same time, we will want to monitor the UK and Scottish Government submissions for information. There is a bit of work to be done.

Obviously, this is an area in which we are in sync with others, because we have got in early and have time to influence and participate in discussion. I note that Ian Duncan gives the timeframe for the next steps on the CFP on page 2 of the "Brussels Bulletin", indicating that the

consultation on the green paper will close on 31 December. I imagine that the European Commission will then produce a report, but there will still be time between its publication and the legislative outcome in which we can continue to lobby and influence people. We have aimed to get in early on discussion in a number of policy areas—I guess that this will be one of the first in which we will be able to see how useful getting in early is. If colleagues have no other comments, I thank Ian Duncan for his helpful contribution.

Ted Brocklebank: I will make a final comment, if I may. Ian Duncan might remind us of the details of the Scottish Government's conservation credit scheme. I know that it has been trialled for a year, and I believe that it has been given a further year. Can you remind us of how the scheme works and how it is viewed in Brussels? Do people there believe that it might be a partial answer for Scotland?

Ian Duncan: Yes. The credit scheme is basically a way of trying to ensure that the quota entitlement is more carefully tailored to the situation at a given moment to avoid the risk of fisheries or, indeed, waters being closed. The scheme is a way of ensuring that real-time management is brought in. There was scepticism when the scheme was first proposed, because it relies on fishermen buying into it. However, various bodies in Scotland are closely monitoring it, and the Commission has been very attentive to how the scheme has worked; it is very interested in how it might be rolled out across Europe. I suspect that it may well become one of the Scottish Government's most significant contributions to the UK position and, ultimately, to the European position. Time will tell.

Ted Brocklebank: The scheme gives the reward of more days at sea, if it can be demonstrated that responsibility is being taken to conserve stocks and use different kinds of nets. Is that correct?

Ian Duncan: Yes—you are exactly right. To give some more detail, the scheme's intention is to move away from using a stick and towards using the carrot of encouraging vessels to be sensitive to the prevailing situation. For example, if vessels found small fish, they would move on from that area and ensure that their nets were the best available to allow the maximum escape of juvenile stocks. When vessels can demonstrate that kind of practice, they are rewarded with more fishing time.

One of the difficulties, as members might be aware, is that it is currently possible to have quota left, but no time in which to catch the fish. Most fishermen would argue that that is an invidious position that they would seek to move away from. The credit system is a way of ensuring that

vessels that have behaved responsibly will be entitled to more days at sea to catch their quota.

The Convener: That reminds me that we mentioned monitoring, auditing and compliance in a previous committee report. If I am correct, it is the member state's responsibility to monitor and audit what happens in its own waters and to ensure that it complies with what is required. One of our questions was this: We might be confident that we are complying, but how confident are we that other member states are complying? Is that still an issue? Will it be addressed in the new approach?

Ian Duncan: Yes. That is one of the hardy perennial issues. We can be certain of what we as a member state are doing, but we cannot always be confident that another member state is quite as assiduous in its application of the rules. The fishermen are usually the first to point out that that applies to some member states more than others. Some member states have reputations for being less serious in their monitoring. In some ways, we can see that when we look at how much money they put into it. It is a huge and costly undertaking to monitor the sea using patrol vessels. Some member states choose not to monitor in that way; they monitor landings more seriously than they monitor activities at sea.

It is a big problem. The big solution is not immediately obvious, because each member state is required to recognise its responsibilities and to act within them. However, as the issue is now receiving much attention, no member state will be able to get away with taking a more relaxed approach to fisheries monitoring.

The Convener: The discussion has been useful and I thank Ian Duncan for his work on the bulletin. A good Scottish Parliament information centre briefing has also been provided and we thank our SPICe colleagues for that helpful background paper.

Are members happy to note the contents of the papers and to forward them to the relevant committees?

Members indicated agreement.

“Brussels Bulletin”

10:55

The Convener: Item 3 is the regular edition of the “Brussels Bulletin”. As Ian Duncan is still here, that provides a helpful opportunity for members to raise points about the publication.

While colleagues are considering their points, I will ask about the Lisbon growth and jobs strategy. The paper says that

“It is expected that the consultation will be launched in early autumn”.

That sounds as if it would have relevance and implications for us.

Ian Duncan: Absolutely. It is clear that the Lisbon agenda has been blown slightly off course by events—the financial crises of varying sorts have done that. The new Commission—it is likely to be under Barroso’s stewardship, but I say that pre-emptively, as it is not certain—will want to put the agenda back on track. In doing that, it will try to draw in as much opinion as it can. If the committee were so minded, and given the good work that it has done in the past, it would have the perfect opportunity to feed the Scottish viewpoint into the consultation.

The Convener: Given the consultation’s timeframe, it would be timely to reflect on it when considering our work programme later.

Michael Matheson (Falkirk West) (SNP): Will you give us a wee bit more information about Iceland? Iceland’s application for membership is to be fast tracked and the bulletin says that its application could be

“submitted as early as July 2009.”

Is Iceland still operating to that timeframe? What is the likely timescale for considering the application?

Ian Duncan: The reality is that the timescale will be quick. Iceland is keen to move in the direction of membership. Broadly speaking, it already complies with many of the legal requirements that would impede other would-be applicants. Once the discussions begin, they might move faster than those that would have taken place with Croatia, for example, and those that continue with Turkey and others.

Once Iceland applies for membership, a process of assessing the country begins, to ensure that it meets the requirements of the *acquis communautaire*. I suspect that it will meet many requirements. Thorny issues will arise—we touched on the fact that Iceland might not readily give up its fishing systems—but the process could move more quickly than might be expected.

An additional measure is the pressure safety valve of a referendum once the application process is completed. Iceland’s population will be asked whether they wish to join the EU. Opinion polls suggest that they do, but that depends on the question that is asked.

Michael Matheson: You mentioned Croatia. Negotiations on Croatia’s application have stalled as a result of disquiet in Slovenia. Will you expand on the problems with Croatia’s application and on the disquiet?

Ian Duncan: Slovenia and Croatia share a border, at one part of which a dispute exists—I believe that it lies offshore—about the ownership of waters. Not many people saw that problem coming, but the Slovenians did. Given that they are already inside the tent, they are far more able to affect progress. Some might argue that the Slovenians are being a little heavy handed in using that to try to get their way.

Things cannot progress unless there is unanimity within the family of member states. The issue will have to be resolved—a compromise will have to be reached. If Slovenia has its way, it will get all that it wants; that is what it would like. Others are trying to broker a more balanced approach but, ultimately, Slovenia is a member and Croatia is not, although it would like to be, so it is not in as strong a position. That is slowing the process down.

11:00

Michael Matheson: If those talks get going again, what is the likely timeframe for Croatia becoming a member?

Ian Duncan: It could happen next year. It was anticipated that the treaty changes that would be required could be brought about by bolting on to Croatia’s membership the guarantees that were offered to Ireland, and that is still the option that most people talk about. Some people have mentioned that the same could be done with Iceland’s application, but I suspect that Iceland would still be that bit further away from being ready to join. Croatia is ready to roll; it just requires Slovenia to move a little bit out of its comfort zone for things to move more smoothly.

Ted Brocklebank: In the discussions that we held in Sweden on Friday, we found that the incoming presidency is naturally optimistic about the result of the Irish referendum. That is the outcome that the Swedes must work towards, given that the referendum will take place during their presidency. I do not know whether you are in a position to speculate about what might happen if the Irish say no. Where would we go after that?

Ian Duncan: I can speculate—whether what I say is in any way accurate is another matter. I suggest that if Ireland said no, the Lisbon treaty would probably be dead. I do not believe that life could be breathed back into it with any ease. That said, certain things would still have to happen. Some of the legacy issues from previous treaties would still have to be addressed, which would need to be done through different means. There are parts of the Lisbon treaty that are, broadly speaking, popular or necessary from the point of view of the reform of governance in the EU, and it might be possible to find other ways of doing those things.

I think that everyone is secretly hoping that the Irish just say yes. That seems to be the Commission's prayer at the moment; it has no other plan. The difficulty is that the Commission is damned if it does and damned if it does not, so it is trying to keep out of the process. It is hoping that the current financial climate is enough to remind Ireland of where its friends lie and what it might be sacrificing, were it to be the impediment to the progress of the Lisbon treaty. If Ireland votes no, the Commission will be in an extremely uncomfortable position for quite some time, because to lose one treaty is unfortunate, but to lose two—

Ted Brocklebank:—looks like carelessness.

Ian Duncan: Indeed. One might argue that.

Ted Brocklebank: When is the referendum to be held? Are we talking about September?

Ian Duncan: It will be in September or October. I suspect that it will probably be in October. The date has yet to be confirmed.

The Convener: Thank you very much. That was very helpful. Are colleagues content to note the contents of the "Brussels Bulletin" and to forward it to the relevant committees?

Members *indicated agreement.*

The Convener: That brings the public part of our meeting to a close. We have two further items, which the committee has agreed to take in private.

11:03

Meeting continued in private until 11:38.

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