

# **EUROPEAN COMMITTEE**

Tuesday 19 October 1999  
(*Afternoon*)

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## EUROPEAN COMMITTEE 6<sup>th</sup> Meeting

### CONVENER

\*Hugh Henry (Paisley South) (Lab)

### COMMITTEE MEMBERS:

Dennis Canavan (Falkirk West)  
\*Bruce Crawford (Mid Scotland and Fife) (SNP)  
\*Dr Winnie Ewing (Highlands and Islands) (SNP)  
\*Dr Sylvia Jackson (Stirling) (Lab)  
\*Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab)  
Ms Margo MacDonald (Lothians) (SNP)  
\*Maureen Macmillan (Highlands and Islands) (Lab)  
\*David Mundell (South of Scotland) (Con)  
Ms Irene Oldfather (Cunninghame South) (Lab)  
\*Tavish Scott (Shetland) (LD)  
\*Ben Wallace (North-East Scotland) (Con)  
\*Allan Wilson (Cunninghame North) (Lab)

\*attended

### THE FOLLOWING MEMBERS ALSO ATTENDED:

Cathy Peattie (Falkirk East) (Lab)  
Mr Keith Raffan (Mid Scotland and Fife) (LD)  
Andrew Wilson (Central Scotland) (SNP)

### WITNESSES:

Mr Jack McConnell (Minister for Finance)  
Doreen Mellon (Scottish Executive)  
Jim Stephen (Scottish Executive)

### COMMITTEE CLERK:

Stephen Imrie

### SENIOR ASSISTANT CLERK:

Eugene Windsor

### ASSISTANT CLERK:

David Simpson



## Scottish Parliament

### European Committee

*Tuesday 19 October 1999*

*(Afternoon)*

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

**The Convener (Hugh Henry):** Good afternoon, ladies and gentlemen. Welcome to the sixth meeting of the European Committee. I apologise for the cramped surroundings in which we find ourselves. It is somewhat ludicrous, given that this is the only committee that is meeting this afternoon, that we have been pushed into this small room. I believe, however, that precedence has been given to the Enterprise and Lifelong Learning Committee that is on its way to Inverness. The microphones have been purloined from the committee meeting rooms upstairs to allow it to have its meeting covered. It is absurd that we are meeting in such cramped surroundings on a very important issue that is of significant interest throughout Scotland. A number of people have had to be refused entry.

### Structural Funds

**The Convener:** We have with us this afternoon Jack McConnell, the Minister for Finance, to discuss European structural funds. Jack has to be away just after 3.20, so we will aim to finish about then. I also propose to take the special programme for the Highlands and Islands first, and to try to keep the discussion of each part of the agenda discrete.

Minister, before I invite you to make your preliminary presentation, I would like to say, on the committee's behalf, that we are extremely concerned by the documentation that we have received and by the time scale in which we received it. I know that you also suffered delays in getting the document, but we feel strongly that we cannot do our job properly—we cannot give adequate scrutiny—in the very short space of time in which the document has been before us. Worse than that, the document is full of gaps. There are certain pieces of information that we still do not have, and others that we received only belatedly. The feeling—rightly—is that if the committee is to do due justice to the process, then in future there must be some improvement in any similar documentation that comes before the committee.

**The Minister for Finance (Mr Jack McConnell):** Thank you for a warm welcome to a welcoming room. I agree that this is an important meeting of the committee. Although the

surroundings do not match that importance, I hope that our discussion will.

There are three issues before the committee this afternoon, but before I address them, the committee should be aware that Donald Dewar and I had a very productive introductory meeting during Scotland week in Brussels last week with the new commissioner, Michel Barnier. He is a French regional politician, and he has an affinity for Scotland that we welcome, given his responsibilities for the next few years. We have invited him to Scotland and we hope that he will take up that invitation in the months ahead. It is early in his days as the new commissioner with responsibility for structural funds, but we were struck by his commitment to the funds as a strategic economic tool, and by his commitment to regional and national identities within the context of the European Union. He recognises that as part of his work. He will be a tough commissioner to deal with, but I think that he will be a friend for Scotland. In the context of our success in Scotland over the last 50 years in dealing with the European Commission that is good news.

As an introductory comment to our discussions, I would like to say that Commissioner Barnier is as committed as we are to a strategic approach to the use of the structural funds. He does not see them as a stopgap funding measure for local public bodies or others to use to fill gaps in provision or to deal with temporary local difficulties. He sees them as a strategic economic tool. Our job over the next few months, as we agree these plans and have them approved by the Commission, is to ensure that in six or seven years' time the plans have put us in strong economic circumstances so that, as enlargement occurs and our eligibility for structural funds inevitably decreases, we are not left with wasted opportunities. That is my approach and, I think, that of the new commissioner, which is good news for us.

We had hoped to have a draft plan for the new objective 3 today, but it has proved difficult to agree speedily a percentage allocation for Scotland in the new objective 3. There is going to be a Scottish-wide programme for the European social fund and for the new structural funds and we want to ensure that we get the clearest agreement possible on the percentage of UK resources that will come to Scotland as part of that. It would not make sense to produce a draft plan until we know what that figure will be. As soon as we have that figure, we will start to work with the plan team and with department bodies to produce a draft plan that will be with this committee before any final decisions are made. You have my guarantee of that.

I welcome the opportunity that this meeting will give me to comment on the programme

management executives and the monitoring committees. Those reviews are important and I hope that we will have some time to touch on that at the end.

This committee has probably met about a week earlier than we would have liked—and I suspect that that is true for everyone involved in the Highlands and Islands plan. An extra week would have given those preparing the plan more time to give you full notice of the documentation, which in turn would have given you more time to consider it in detail. We must, however, agree a plan to go to the Commission by 31 October and we intend to do so.

The plan is based on a partnership approach and on consultation at a local level, and I am very keen to listen to the committee's views and take them on board before any decisions are made. That is what the relationship between ministers and committees in the Parliament should be. I am not here today to tell you that I have already seen these documents and made decisions about them. I am here to listen and I hope that we will have a chance to take your views on board. With me are Doreen Mellon, Colin Imrie and Jim Stephen, officials who have been working on this document and on other objective 2 matters. They will help me out with some of the substantial technical details that are in the plan and about which some committee members might want answers. I might need some assistance with those details.

I recognise that, in particular, the agriculture and fisheries sections of the plan were circulated very late. Some members may not have seen those sections prior to their arrival here. Given the circumstances, I would be perfectly happy to accept comments from committee members on those sections, preferably in writing, by this weekend. That would give us time to look at them in advance of decisions next week. If members want to take time to consider things and to consult locally, I would be happy to accept comments later rather than to force a discussion today.

Today is a very important occasion for the committee and for the Highlands and Islands. The success of the UK delegation in Berlin, led by the Prime Minister, in achieving these resources for the Highlands and Islands cannot be underestimated, but our success in implementing the resources and plans over the next seven years will be much more important. The purpose of the plan is to set out, in early terms, how we intend to spend the €300 million that were allocated, under the various structural funds, to the Highlands and Islands composite plan.

The spending of that money should be put in some perspective. It is substantially less than the Scottish Executive currently provides to public bodies in the Highlands and Islands through grant

aid to local authorities, to the enterprise companies and to the Crofters Commission, and through the common agricultural policy. It is not the most dominant piece of public expenditure for the Highlands and Islands over the next seven years. Therefore it should, to some extent, follow local priorities rather than set them. None the less, the money is substantial and is an important part of our ability to ensure that the Highlands and Islands are prosperous.

I am also conscious that, because the plan must meet European regulations and work within the framework of European guidelines, it is not exactly—as David Chalmers might have said at a previous committee meeting—a reader-friendly document. That is to some extent inevitable, and I hope that, in discussions like this one, we can tease out some of the details. At the end of the process, either when we finally submit documents to the Commission or, more realistically, when the Commission has approved the plan, I hope to produce a reader-friendly version. People who live across the Highlands and Islands should know what the strategic plan is and have an opportunity to engage with it.

It is important to stress that the document is enabling rather than prescriptive. It must stand the test of seven years, and it must be able to see the various structural fund spending through over that seven-year period. Given the pace of change in this region, as everywhere else in the world, it would be wrong to be too prescriptive at this stage about exactly where the money will be targeted and spent. Our overall objective must be absolutely clear, and we must see it in the context of a long-term plan. The criteria for objective 1 status enjoyed by other parts of the European Union were not met by the Highlands and Islands, but they are part of the reason for this grant aid to the region. The criteria are about low GDP, sparsity of population and disparity of social and economic success across the region. We must tackle those underlying problems if this set of structural funds is to be put to the best possible use.

Our objective is to raise incomes and prosperity across the Highlands and Islands region. That means that over the next seven years we must ensure that the sort of growth and success that is currently being enjoyed by Inverness, for example, is shared by other communities in the region. That is the kind of strategic approach with which we are working, always taking into account the two important priorities set by the European Union for structural funds and for other Commission activities: sustainable economic development and equal opportunities.

14:15

As the committee will have seen, the draft plan contains a vision for the Highlands and Islands with a local and national policy context. There is a section on the alignment of the plan with European Commission guidelines, which contain a long and detailed assessment of the area and its economic sectors. The plan also has a section on strategy and priorities. Although, as ever in such matters, financial allocation to priorities will cause most concern when we begin to agree the detail of the plan, I believe that strategy is just as important an issue as it sets the tone of our work. Priorities such as increasing business competitiveness, creating conditions for regional competitiveness, human resource development and support for the primary sector meet with the guidance that we have received for various structural funds. Those have been discussed in detail locally and are reflected in the financial allocations.

Over the next week, Executive officials, my colleagues and I, as Minister for Finance, will want to study some of the financial allocations before we agree the final plan, which is why I welcome today's discussion. It has already been suggested that allocations for water sewage provision, for the environment, forestry and rural heritage line and for fishing and agricultural support could all be increased. However, we cannot increase all those allocations without decreasing allocations to other areas. I will certainly welcome the committee's comments about the overall strategy, the priorities that have been set out, the financial allocations and the presentation of the plan itself and I hope that, on that basis, we can have a fruitful discussion.

**The Convener:** Before I throw the meeting open to questions, I want to raise a few points. Early in your introduction, Mr McConnell, you mentioned that you would have preferred to have this discussion a week later. I think that we all would have preferred that. Among other things, it would have avoided the problem of having to convene a meeting this week. However, we were advised that, because of the time scale, next week would have been too late. It is unfortunate that we are discussing a document that is, to say the least, incomplete.

One of my general concerns is that, although the document is a weighty tome and is full of facts and figures, it lacks some of the strategic vision that you mentioned and is weak in many essential details. I hope that we can tease out some of those details in the course of our discussion. I am aware that this is the plan team's document, Mr McConnell, not yours and I am glad that you are prepared to listen to our comments before making a final decision. However, the committee had a fairly useful discussion when the document was at

an early draft stage and, from my reading of the document, it looks as though our comments have simply been ignored by the plan team in the final document. That is unfortunate. Maureen Macmillan and other committee members made very specific comments that seem to have been overlooked. Although I have a number of questions and comments that I want to make, I will bring in other members of the committee before I do so.

**Mr McConnell:** On the point about the committee's previous discussion, I welcome today's opportunity to find out the areas of the document where committee members feel that their comments have not been reflected. I am aware of the plan team's response to the committee's points and I get the impression that most of those points have been taken on board.

**Dr Winnie Ewing (Highlands and Islands) (SNP):** I will be sad if Mr McConnell will not take questions on the fishing section of the document, because I have come prepared to ask a lot of questions about that issue.

However, let me start with another topic that might be a little off the subject. Does the document spell the end of the Highlands and Islands Convention? Many convention members thought that that was a useful arena in which to air problems in the Highlands, but we still do not know whether the convention will reconvene. Although that seems to be a separate issue, it is very relevant to the discussion as it fundamentally affects the Highlands and Islands.

The document contains a description of the very firm auditing procedure that will obviously have to be in place. Furthermore, we have been informed about the powers of both the monitoring committee and the permanent programme executive. However, I have studied the document and have not been able to find out the composition of those two bodies. For example, although we have been told that there will be regional representatives on the monitoring committee—as one would expect—we have not been told about which regions they will they come from. Will they come from every region? The issue could become quite a hot potato.

**The Convener:** Perhaps we could save that point for the third element of our discussion on the review of administrative arrangements.

**Dr Ewing:** Where should I start? I am sorry that I was unable to come at half-past 1 for the informal meeting. Should I start at the beginning of the document?

**The Convener:** There is a separate item on the agenda on the review of administrative arrangements for the new programmes. Some of your concerns apply equally to other programmes.

**Dr Ewing:** Which bit of the document are we discussing now?

**The Convener:** We are discussing the draft plan for the Highlands and Islands special programme.

**Dr Ewing:** That is what I am reading from.

**Mr McConnell:** It might be helpful if I said that the document has no details about the monitoring committee because the review of administrative arrangements that is taking place also includes the monitoring committee and the programme management executive.

**Dr Ewing:** So we do not know yet.

**Mr McConnell:** Although I spoke to Commissioner Barnier last week about our intentions on this issue, we will not include the final details until the review has been completed. We intend to have that review to ensure that the best possible arrangements are in place.

**Dr Ewing:** The kind of question that local people ask me as an MSP is whether they will be on those bodies.

My second question is not really a question. The monitoring committee decides on the criteria and then the permanent programme executive decides on what projects to fund. Are there already many projects in the pipeline or are we now waiting for projects to be thought up? It is difficult to cost such projects because of all the complicated rules. What is the state of play? Are we really ready to go or will we have to pause as the various organisations prepare their projects?

**Mr McConnell:** I would be very surprised if organisations in the Highlands and Islands did not have projects in the pipeline, to use your phrase. However, we are not yet ready to accept funding applications as we have to agree the strategic plan to give some context to the applications. Applications have to meet the strategic objectives and the allocations that are in the document. Although I suspect that active organisations in the Highlands and Islands have projects ready for the pipeline, they will have to tailor their applications to the plan that the Commission finally agrees. Otherwise, resources will not be freed up for them.

The plan will not affect the Highlands and Islands Convention in any way. Decisions about the convention are an entirely separate matter.

**Maureen Macmillan (Highlands and Islands) (Lab):** I am still concerned about the lack of detail in the document. I know that everything seems to have been done in a terrible rush. However, the document does not tell us what projects with objective 1 funding have worked or not worked, nor does it give us details about proposals for the present set of funding. For example, the Kintyre-Ballycastle ferry crossing is mentioned as having

been funded, but I know from experience that the service has problems. Other areas that are mentioned in the document might also have problems.

**Mr McConnell:** Doreen Mellon is the official who has been responsible for the plan team and has been involved in discussions about learning lessons. It might be more appropriate for her to answer that question.

**Doreen Mellon (Scottish Executive):** The ex post assessment of the current programme does not formally take place until the programme has ended. That means that there is a hiatus in timing, which makes it difficult to take on board the lessons that have been learned in the full objective 1 programme. We have incorporated lessons that have been learned from the mid-term evaluation exercise. However, the majority of those are not terribly exciting, as they are administrative exercises about how we can make the programme work more smoothly, rather than dealing with the most successful projects that have been implemented. Although the document mentions some projects from which lessons have been learned, it does not present an overall picture because of that technical hiatus.

**The Convener:** Although I accept that the evaluation cannot take place until the programme has ended, has not there been an interim evaluation that has raised criticisms?

**Doreen Mellon:** That is the assessment to which I was referring. Most of the lessons that emerged from that assessment concerned the administration of the programme and the prevention of hiatus. Those lessons have been incorporated into the current programme.

**Maureen Macmillan:** We have to get this in the proper sequence. We cannot start giving money to other enterprises if we do not know whether that kind of funding has worked properly before. We need to know about such things before we start dispersing funds again. How long will that hiatus be?

**Doreen Mellon:** As the ex post evaluation does not take place until the programme has formally ended, it will be 2001 before we can undertake the next evaluation. We can compare the programme's achievements with the targets that were set for it and whether it has produced a certain number of outcomes with the funds involved. The results of the previous programme are recorded in the document. That indicates which projects have hit their targets most easily and suggests how we can go about quantifying targets for the next programme, at least in the initial period.

**Mr McConnell:** Returning to Mrs Ewing's point, I want to add that one of the reasons that we want



to review administrative arrangements is to ensure that committees and executive teams learn lessons from the past and can deal with new circumstances such as the reduction in resources and the strategic approach to the end of the programmes in six or seven years' time. We are keen for the review to take place to ensure that we have a responsive team and a decision-making structure that will be able to take on board both positive and negative lessons from the past.

**David Mundell (South of Scotland) (Con):** I welcome that review, Jack, as I have raised the issue in the committee before.

I was pleased to hear that you will be flexible about spending, because the amount of money that will go to agriculture—€21 million out of a potential €300 million—seems inexplicably low when compared with the importance of agriculture to the entire area. Furthermore, the project selection criteria in the document seem unduly restrictive. Will you take those comments on board?

**Mr McConnell:** I do not want to be prescriptive about decisions that will be made on different financial allocations and I am aware of similar comments by others about the resources that have been planned for agriculture. However, it is important to understand that the amount that you mentioned is the allocation for agricultural business development rather than specific support for agriculture. At the moment, £95 million a year is spent on agriculture in the Highlands and Islands through the common agricultural policy. This £21.4 million must be seen in that context. It is in addition to that and it is about agricultural business development rather than support for existing farm schemes.

14:30

**David Mundell:** The project selection criteria are quite restrictive. If people are to diversify successfully, they must take a few risks, rather than do bed and breakfast or the other standard businesses that people may be asked to diversify into.

**Jim Stephen (Scottish Executive):** Are you reading from the measures for agriculture that have been prepared?

**David Mundell:** I am reading from your document.

**Jim Stephen:** The diversification element has been drawn deliberately wide, so that it covers almost every diversification possibility from converting buildings for residential letting through to diversifying into some new agricultural crops. We drew this up with the members of the plan team and the industry representatives from the

National Farmers Union, the Scottish Landowners Federation and the Scottish Crofters Union. We cast the net as wide as possible so that projects would not be ruled out because of over-prescriptive criteria.

**David Mundell:** I accept that that is the intention, but think you should have another look at it.

**Jim Stephen:** We will examine it.

**Ben Wallace (North-East Scotland) (Con):** I thank the minister for attending and thank him for twice replying to the letters that I wrote in the interim between the last reviews. Those replies were informative.

I have two questions. First, a number of proposals in the plan mention money being used for the upgrading of the transportation system to improve competitiveness, the upgrading of sewage outlets and the like. Do you think that it is appropriate that European funds be used for upgrading sewage outlets, which is already a duty of the water authorities, and to improve the roads, which is probably in the Executive's transport budget. Is that an appropriate use of the funds? The funds are not as great an amount as people like to suggest in comparison to what the Executive already spends in the Highlands and Islands.

**Mr McConnell:** That is an important question. It is the sort of question that I ask regularly. The uses to which those funds can be put do not include projects that would be a statutory requirement of an existing Government or local government programme in Scotland. Those funds are in addition to those projects. In the Highlands and Islands, we must recognise that transport or water and sewerage provisions and improvements may be required that are clearly statutory requirements. However, there are projects that could also be pursued relating to both those headings that are not statutory requirements, but would help to achieve the outcomes desired in this plan: to reduce disparity between different communities across the Highlands and Islands and to improve its economic infrastructure. It would be against the objectives and criteria set by this plan that any projects under those headings would take the place of proper funding for statutory requirements that should be met by us or by local government in Scotland.

**Ben Wallace:** My second question is about a matter that was raised in the committee last time—venture capitalists. We were concerned, because it is the last funding of sustainability, that we introduce venture capital.

It is in your wider priorities that we stimulate the private sector and new business. On page 96, it states that private or one-off applicants will

require individual applications and that:

"Such individual applications will require a public-sector sponsor."

What public sector sponsors are envisaged? Is it the enterprise companies alone, do you have any other agencies in mind, or do you intend to create other agencies?

**Doreen Mellon:** This is part of the accountability exercise in relation to the funds, so that we can ensure auditing and control of the money as it is spent. On that particular scheme, it is more than likely that the sponsor would be Highlands and Islands Enterprise or the local enterprise companies, but others, such as local authorities, would not be banned from being public sector sponsors for that area, as that has been the case in other areas.

**Tavish Scott (Shetland) (LD):** Ben Wallace asked an important question about waste water, because any small town in the Highlands and Islands with under 10,000 inhabitants, of which there are many, will be non-statutory by definition. Some of us may question what the North of Scotland Water Authority's capital programme is about.

I will focus on the support for the primary sector, particularly the fisheries measure and the amount of money that is to be allocated, under this draft plan, on page 136. My concern is that we are going backwards in terms of funding the fisheries sector.

You rightly made a point about a strategic economic tool. I would argue that, in the context of this plan, fisheries delivers more strategic economic outputs than many other areas. If you take the five years of funding under the first objective 1 programme, when you added financial instrument for fisheries guidance and Pesca funding together, less money is now spent in a seven-year period. You encouraged people to make representations to you about increasing funding in certain areas, I think that you can justify an increase in FIGF funding to achieve the objectives that we all want to achieve, and do that by reallocating within the overall allocations. Fisheries, whether the catching, aquaculture or processing sector, have many strategic objectives, such as adding value and ensuring that the product is processed in the Highlands and Islands and not outside it, that meet many of the economic output requirements. There should be a strong pitch for more funding in this area.

**Mr McConnell:** To link those two questions, it is important to note that one of the areas in which money allocated for water and sewage projects could be of direct benefit to business development is fish processing. While there is a figure for fisheries regulation, it is subject to some

discussion, and many of the other allocations will include elements that will benefit not just fishing but farming, to come back to Mr Mundell's question.

We must be creative in our interpretation of the description of business in the Highlands. Partly because of the European priority given to them over the past decades there is a tendency to treat fishing and farming as separate from the rest of business and economic development in Scotland, when they are integral and central to business and economic development in much of rural Scotland. It is important to bear that in mind. Projects will come up under other allocations in those headings that will be of direct or pump-priming benefit to fishing and to agricultural economies.

If any member would like to make more detailed comments on those sections that were circulated late, I would be happy to receive them.

**Tavish Scott:** I do not disagree with that at all. I possibly agree with it, as my point is that they are businesses and they need that kind of support, because it will make a difference in a fragile part of the world. The FIGF measures were oversubscribed last time round. Doreen Mellon will know this from the facts and figures. I have some of those in front of me and I will not bore you by going into them. However, because those are oversubscribed and as they are business investments, I would argue that this is a crucial sector, which should receive a higher allocation. You know that by making this kind of investment you will, to some extent, achieve your economic objectives.

**Allan Wilson (Cunninghame North) (Lab):** My comments are on much the same lines as the previous two speakers. I am surprised at Ben coming back to infrastructure, given the committee's previous discussions on the strategic importance of infrastructure projects to developing the economy of the Highlands and Islands. Are you happy that the strategic objective of reducing disparity across the region, so-called internal cohesion, has been properly met in the draft financial allocation? Infrastructure projects require greater emphasis than has, arguably, been given. At the previous committee meeting, I talked about the weaknesses in the sectoral overview; for example, the exclusion of the transport and construction sectors. Are you satisfied that those weaknesses have been addressed and that improvements in transport and infrastructure will be possible to stimulate growth in related economic activity? I agree that improving water quality is of benefit, not just to agriculture but to fishing and tourism as well. External cohesion is addressed by targeting the funds in the Highlands and Islands to bring them up to the European average. If we are to reduce the social and

economic disparities within the Highlands and Islands and address internal cohesion, infrastructure projects are vital. The emphasis should be more on infrastructure projects and creating the conditions for regional competitiveness than it currently is.

**Mr McConnell:** In my introductory remarks, I was careful to say that one of the main objectives in preparing those plans must be to ensure that we operate within the overall European Commission guidelines. Therefore, although sometimes what we would like to do with €300 million does not necessarily fit with those guidelines, the plan must be put together according to those.

I understand that the plan team has taken on board, at least partially, the comments made by the committee on this the last time round. I would be interested to hear if members think that it should go further. We must also bear in mind that as well as investment in infrastructure, it is important that the other elements that make up the overall Highlands and Islands structural funds programme are accounted for. As the plan currently stands, by far the biggest investment is in the communications infrastructure.

We must be aware of the need for not just transport infrastructure but telecommunications infrastructure, if we are serious about creating jobs for the future rather than preserving jobs from the past in the Highlands and Islands. Some of the more exciting developments in the Highlands in recent months have involved new technology being used on a small scale in rural communities, to link public and private in a way that creates jobs locally and helps save or develop local public services. Where that is possible, and structural funds can be used to pump-prime those developments, that would be good news in the long term. That is the direction in which we must go to spread economic growth across a wider area than the immediate environment of Inverness.

We must be aware that changes will take place over the next decade across the Highlands and Islands, at Dounreay and elsewhere. There will also be changes in the economies of the islands. Those factors must be taken into account. That is why the plan must have flexibility in it at this stage. We will be responding to events as well as working within an overall framework.

**Allan Wilson:** I was pleased that emphasis was placed on creating conditions for regional competitiveness. I am concerned that the mechanism must be there to ensure that it is targeted within the region to ensure that disparities are addressed. The mechanism must address the obvious disparities within the region.

**Mr McConnell:** One of the ways to influence that will be the criteria for project choice, against

which applications for projects will be judged. That will arise out of this plan once it has been agreed. It will be used by the programme executive, to which Mrs Ewing referred earlier. The programme executive will not select projects as the monitoring committee does that, but it will analyse projects in comparison to the criteria and objectives set in the plan.

14:45

**Bruce Crawford (Mid Scotland and Fife)**

**(SNP):** I thank the minister for some useful answers. I would like to know what strategic approach is being taken to the end of the transition period. At the moment we have, effectively, a blank space. I want to tease out how we might deal with that by seeking flexibility in Government expenditure. On 8 October, Donald Dewar was quoted in *The Herald* newspaper as saying:

"If money from Europe goes up then the money we get from the Treasury would go down because we can't go above what we are entitled to under the Barnett Formula."

I presume that the converse is true: if the Highlands and Islands no longer receive money from European structural funds, the money that they receive via the Barnett formula will increase. I am sure that the minister will confirm that. In other words, structural funds are non-additional to Scotland's overall bottom-line position. If that is the case, at the end of the transition period will the Executive give consideration to maintaining the level of spending in the Highlands, because the money will still form part of the Scottish block?

**Mr McConnell:** Much as I would like to be able to see seven years into the future of the Executive and the Scottish Parliament—

**The Convener:** I think that Bruce Crawford is suggesting that in seven years you and your colleagues will still be in a position to influence expenditure.

**Mr McConnell:** I welcome and share his optimism.

**Bruce Crawford:** I am grateful to the convener for his partisanship.

**Mr McConnell:** It is important that we plan for the longer term, but it would be inappropriate for me to tie the hands of future Administrations, even implicitly. However, over the next six or seven years we have an opportunity to use the European funds that are available—along with other substantial public funds that have been allocated to the Highlands and Islands—in a co-ordinated fashion. That will ensure that the relative economic prosperity of the Highlands and Islands does not suffer as a result of enlargement of the European Union and changes in the global economy, and that that corner of north-western Europe is in a

strong economic position in seven years' time.

I would be very surprised if, six or seven years from now, a Scottish Parliament and a Scottish Executive that were serious about their business—whatever their political colour—did not take into account the position of the Highlands and Islands when deciding what to do with those resources, once they have been freed up. However, at this stage, when we are setting out to be successful in the Highlands and Islands, it would be wrong to assume failure. Nearer the time, I hope that we will be able to examine the situation objectively and to make the best judgments not only for the Highlands and Islands, but for the whole of Scotland.

**The Convener:** That touches on a matter that this committee has considered before. Jack, you told the committee that, because of the way in which the Barnett formula works, there will be no reduction in overall expenditure in Scotland. Donald Dewar made the same point to the Parliament. Our concern is that any money that remains in the block should be used flexibly to meet our priorities. Bruce has made that point on a number of occasions, and we will have to return to it.

**Bruce Crawford:** It is interesting that the minister used the words "freed up". That confirms that, in the end, structural funds have no impact on the bottom-line position of the Scottish assigned budget.

**Mr McConnell:** Perhaps I should make myself absolutely clear. It is important that we place on record that in October 1999 we are not in a position to say what the Scottish assigned budget will be in 2002-03, never mind 2007. The decisions on the budget for 2002-03 will be made next year. Our current financial statement outlines provisional plans for next year and the year after that. As I have said before in this committee, assuming that current levels of resources and current assigned budget levels are maintained—because we cannot predict the outcome of general elections—the resources that have been allocated will remain part of our assigned budget. As less money is spent from European structural funds, surpluses will be freed up to be used for other purposes. However, at the moment we cannot say for certain what the level of the assigned budget will be—what it is now, what it is now plus inflation, or what it is now plus anything else that is allocated to Scotland's needs over the next seven years.

We must not raise expectations that the funding that is currently available will be guaranteed for all time. We have a seven-year programme of €300 million, and we must make best use of that. We must try to create the economic conditions that will make that money unnecessary in seven years'

time—to create a strong Highlands and Islands that can survive economically without it.

**Bruce Crawford:** I realise that we do not want to stray too much into general issues, but this is an important point. The minister is confirming that structural funds do not affect the overall bottom-line budget. I would like to know how the money is accounted for in terms of the structural funds that are allocated to other parts of the UK. We can then begin to understand the implications for budgets south of the border.

**The Convener:** A similar question arises with respect to objective 2 funding. I propose that the minister take note that this committee would like to discuss that point in more detail, as it affects both Highlands and Islands objective 1 transitional funding and objective 2 funding.

**Bruce Crawford:** I would like to make one more point.

**The Convener:** Please do so very quickly.

**Bruce Crawford:** We have heard about how good the outcomes have been, both for the Highlands and Islands and for the areas covered by objective 2 funding. We have been offered comparisons with the situation south of the border, but not qualitative information on what has happened in other EU countries, such as Denmark, Austria, Greece and Portugal. We need that information to judge how successful we have been in obtaining structural funds for Scotland.

**Mr McConnell:** I have tried hard in the past to provide that information clearly, and I will do so again today.

First, no part of the European Union with a GDP per head comparable to that of the Highlands and Islands of Scotland has received the same amount of money or a special programme. In that respect, Scotland has benefited more than any other EU state.

Secondly, if the UK's plans for the objective 2 map—which we will come to in a minute—are approved by the European Commission, Scotland will receive an allocation that covers 40 per cent of its population. That is more than any member state of the European Union, apart from the four cohesion countries—Ireland, Spain, Greece and Portugal—which have benefited consistently from a higher level of structural funding than other states. Finland, with around 31 per cent, is the nation whose population coverage comes closest to ours. This is a very good deal for Scotland.

**Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab):** My question relates to a point that I raised previously and that has not been picked up in this redrafting; if it has, I have missed it and am happy to be corrected.

Priority 1 is to increase business competitiveness, to create employment and to increase incomes. On a previous occasion, I mentioned the value of the social economy and looking to the longer term. This is not about only the public and private sectors, and it is not enough simply to add not-for-profit organisations to your list. Co-operatives and similar developments may provide an opportunity to create sustainable community businesses. That model is understood in Europe and would be easy to transfer to the Highlands and Islands. However, the philosophy behind it is not evident anywhere in this document.

**Doreen Mellon:** Priority 2, measure 5, which relates to the community and social infrastructure, has been adjusted since we received the committee's previous comments, to deal with the point that Cathy Jamieson has raised. She also mentioned capacity building, and it has been made more explicit that increased provision would be made for that in regard to human resource development.

**The Convener:** Winnie, you had a question.

**Dr Ewing:** I thought that you had ruled out discussion of fishing. Perhaps I misunderstood you, because immediately afterwards another member raised a point about fishing.

I have many questions but, rather than take up too much of the committee's time, I will mention only one of my concerns. This document refers to modernisation grants and new building grants, but I was under the impression—perhaps I am out of date, as I have not been a member of the European Parliament since July—that, under the multi-annual guidance programme, we do not have access to those grants. I do not need an answer now, but I would like a note on where we stand with regard to the MAGP. We seem to have lost out because we do not meet the criteria. I often wonder why we allow our part-time vessels to be included on the register when other EU states do not, and whether that is what places us above the MAGP threshold.

**The Convener:** Can you arrange for Dr Ewing to be sent a note, minister?

**Mr McConnell:** Certainly. This is one of several issues that have caused a delay in the drafting of this section. We hope that the implementing regulation, when it is finally published, will clarify the matter, but I will ensure that Dr Ewing receives a note about it. I also take on board Cathy Jamieson's point and will ensure that the thrust of what she has said is reflected in the plan in its final form.

**The Convener:** We have run out of time, but I would like to make a number of points for the record. Perhaps the minister could consider them after the meeting.

In future, it would be helpful if annual reports and the minutes of the programme monitoring committees were to come before this committee for consideration.

The document has significant weaknesses as regards consultation. The section on consultation has nothing in it; given the emphasis that the Commission has placed on consultation, that is a glaring weakness. I would like to know, too, whether the extensive external consultation that has taken place in other parts of Scotland, right down to community group level, has also taken place in the Highlands and Islands.

There is a reference to social inclusion, but the document does not flesh out how that is consistent with the Executive's aspirations in that area. I would like that to be firmed up.

I also want to know whether the plan has followed the checklist of chapter headings that was issued by the European Commission. There have been suggestions from a number of quarters that there are tensions between partners and Highlands and Islands Enterprise. At some point, I would like to know whether the Scottish Executive has been aware of those tensions and, if so, what has been done to resolve them.

There are also some weaknesses in the draft as regards the national policy context. Might the Commission not be concerned by the relatively inward-looking nature of the plan, which fails to place the Highlands and Islands in a Scottish context? A number of members have spoken about integration and a more strategic view, but the document remains weak in that area. There is no recognition that this is not simply a continuation of previous programmes; in other words, that we should not just be pursuing more of the same. We should be looking at the Highlands and Islands as a transitional area with an enhanced financial allocation.

I am not convinced that the plan complies with the sustainability criteria that have been set down, and I do not think that there is a proper relationship between economic analysis and the strategy for use of the funds. The document fails to justify in detail its proposed use of the funds. I have already mentioned the lack of policy coherence with the Scottish Executive's priorities.

15:00

Some of what I am saying poses questions about the role of Highlands and Islands Enterprise as the key organisation in the area. I do not think that either the Scottish Executive or the programme management executive should take the main responsibility for any weaknesses in the draft plan. We slipped up—but it is part of our learning experience—because the committee

should have got the plan team and Highlands and Islands Enterprise here, and we should have subjected them to a more rigorous analysis before we invited the minister.

There are some problems with the suggestion of area targeting. I do not think that the document justifies area targeting enough, and there is little or no integration of rural development regulations or fishery development regulations. It has been a whirlwind, and I have not had time to flesh out some of that, although there are pointers that I did not want to be missed—that I wanted this committee to have the opportunity to consider—and I apologise for that.

**Mr McConnell:** There are a number of statements there that demand a response at the very least. Having heard a list of them, we should produce a written response for you, as convener of the committee, that would go on the record and could be circulated to committee members at the next meeting. There are one or two helpful comments that I could make. A draft of the consultation section of the paper was circulated on Friday, with the other papers that the clerk received. That draft is not complete, as the document is still in the consultative process. A factual statement about consultation will be completed at the end of the full consultation period, and will include consultation with this committee.

While the Scottish Executive is not directly responsible for writing and producing this document for the committee, ultimately we are responsible for ensuring that this document is a success. I take that responsibility fully, which is why I am here today to listen to the committee. We must ensure that the document complies with the Commission's guidelines as well as our own local desires. That is why it is important—however difficult it might be, from time to time—for us to work in partnership locally. That can be difficult; it is not always a smooth path, but it is the best way. It is a model that is used throughout Europe, and which is based on the Scottish experience.

Rather than take up more time this afternoon, convener, I would welcome the chance to respond in writing to the points that you made at the end of the discussion. I would appreciate it if that response were distributed among committee members with the next agenda.

**The Convener:** That would be helpful. Thanks very much, minister.

I am aware of the time and of the committee's interest in the next item—objective 2 funding. I invite the minister to make a brief introduction.

**Mr McConnell:** There are several points to be made about the detail of the announcement of the UK's submission to the Commission, and on the

way ahead.

First, I would like to make it absolutely clear that, despite the disappointment for some areas, and a trend that will continue in future years, of Scotland's relative economic prosperity resulting in a decrease in the overall population coverage and the allocation of objective 2 funding, we welcome the UK Government's proposals to the Commission. We were fully involved in their preparation. That was a good example of the Scottish Executive and the Scotland Office working together with the Department of Trade and Industry, and we hope that we have achieved a package that meets the twin objectives of working within guidelines that will be acceptable to the Commission and targeting as many needful communities as possible throughout Scotland.

I recognise that there will be organisations working in communities throughout Scotland that will be disappointed by some of the exclusions from the map. However, this map is a significant improvement on the situation four months ago. The breakdown of areas to groups of council wards is of direct benefit for communities throughout Scotland. It has been achieved after much discussion and through a welcome persistence on which I congratulate Scottish politicians and officials. It was vital that we focused as much as possible of the declining resources on areas of need. Having said that, we have still managed to achieve—in spite of the fact that most of the recognised regions of England have a significantly lower gross domestic product than Scotland—more than 40 per cent population coverage on the map. That is good news for us. If the Highlands and Islands coverage is included, it is well beyond the EU-wide average and the average of the other member states, apart from the four cohesion nation states.

European structural funds—even objective 2—must be seen in context; they are only a small part of Government and local government public expenditure in Scotland. However, they are an important part; they are well used and much needed by the communities that are affected. Although the total for the main fund will be just under €600 million over the next seven years, and the transition fund will be just more than €150 million, that is still a substantial amount of money that must be spent to the greatest effect. I am keen for us not only to target the main fund as effectively as possible within the guidelines, but to target the transition money to help particularly those individual communities that, because of isolation, statistics, or their location in relation to other areas, have been missed out on this map. I will take a personal interest in ensuring that that happens. We must be flexible in our approach to the allocation of resources. We must consider how the use of objective 2 money can be linked to the

new objective 3 funding—which will cover the whole of Scotland, although the objective 2 areas will have priority—and we must continue to meet criteria as we go along.

This was not an easy map to put together. It has not been an easy set of proposals to put together. It has not yet been agreed by the Commission, and may yet be rejected—which would leave more communities in Scotland disappointed. However, we have done our best to meet the industrial, urban, fisheries, and rural criteria, and we have done so in substantial enough groups of wards to make the case for a substantial community of interest, to meet relative needs. We hope, therefore, that we can proceed to implement both the main fund and the transition fund in a way that will see us through the next seven years. After that, I think that we will find ourselves in a new, enlarged European Union, in which there are communities, particularly far to the east, that will need this money more than we do in Scotland.

**The Convener:** Those who are involved are to be congratulated on some of the things that have been achieved—not least of which are the ward-based allocations, which have been important in Scotland. Overall, there is a positive story to be told. There will undoubtedly be some questions about the areas that have been identified.

**Andrew Wilson (Central Scotland) (SNP):** I am grateful to you, convener, for allowing me to speak, as I am not a formal member of this committee. In the context of objective 2 funding, I would like to clarify some of the points that Bruce mentioned a moment ago.

Minister, you said that we have benefited more than any other European Union states, with one or two exceptions. You also mentioned the achievement of 40 per cent population coverage. The question, however, is this: how does that coverage compare with the UK average? Given that, in any structural fund allocation, we cannot get more than a Barnett formula share, that does not do Scotland any good whatsoever.

The statement that we have done better than any other European Union state is not accurate. If we are getting only the average of what the UK is allocated in terms of the bottom-line budget, all these debates, negotiations and discussions have not come to much. They affect the Highlands and Islands, and the other regions that are concerned, but only in the context of the Scottish budget, which itself has not gained. Is that the case?

**Mr McConnell:** I shall try again to explain this. Every time I try to explain it, I think that I am getting somewhere, but at other times I have my doubts.

We now have devolution and an assigned budget. That assigned budget includes the

provision for European Union structural funds that existed in the former Scottish Office budget. It amounts to something between £160 million and £170 million for each of the next three years. That money is in the budget. As the population coverage and the eligibility of Scotland for funds decrease—as Scotland is relatively more economically prosperous than it was in comparison with other parts of the European Union and other parts of Britain—those funds are released for us to choose how we spend them. It is hard to find an easier way to describe that situation.

If, for example, by year 7 of this programme we were spending, across the Highlands and Islands objective 2 and objective 3 programmes, say, £130 million—if we had the same level of assigned budget and if that budget line had not changed, although the Parliament could vote to change it by vetoing the Executive's budget and the Executive could propose changes to its own budget over the next seven years—that would mean that £40 million could be spent flexibly, either on economic development programmes throughout Scotland or on other things. A point that I have been trying to make for three months is that one of the benefits of devolution is the way in which the assigned budget has been set, which enables us to make our own decisions about how we spend it. That is a good thing, and I hope that all parties will collectively welcome it.

**The Convener:** We have only 10 or 15 minutes left for this item. Unfortunately, we do not have time to tease that point out. The notion of the assigned budget and its relationship with European funding can be tabled for further discussion in the committee.

**Bruce Crawford:** Would that include inviting the minister back?

**The Convener:** If necessary, we will invite the minister back. There is no difficulty at all in doing so.

**Dr Sylvia Jackson (Stirling) (Lab):** Jack, you might know what I am going to ask about.

**Mr McConnell:** It is not an area that I live about half a mile from, is it?

**Dr Jackson:** It is not just that area. The last time you came to this committee, you stressed the importance of trying to address the areas of greatest need in terms of objective 2 funding, and to do so on a ward basis so that that funding would be focused. In your statement to the press, the firm impression was given that there would be a useful complement of objective 2 funding and the assisted areas map.

It is my assertion—based on the experience of a number of areas in Stirling, Falkirk, Dundee,

Edinburgh, Argyll and Bute—that that has not happened. Some areas that are severely disadvantaged have not been covered in this map of objective 2 funding. I shall give some examples of the type of deprivation that we are discussing. Dudhope, in Dundee, has an unemployment rate of 17.7 per cent; Craigmillar, in Edinburgh, has an unemployment rate of 15.8 per cent; Gowanhill, in Stirling, has an unemployment rate of 14.7 per cent. If one were to take the worst areas for unemployment, within the 10 per cent range, the result would be a population coverage of 62,000.

There are 16 wards that have not been covered. There must be either some sort of tinkering with the objective 2 settlement that we have or some other mechanism—whether the gap funding that we have been talking about or targeting of the transitional moneys—whereby those areas within that 10 per cent range can be dealt with in the same way as the objective 2 areas. They would then be able to focus in on the work that is being done and could capitalise on that to achieve sustainability, which is one of the principles of the objective 2 and European structural funds. Objective 3 funding will not miss those areas, as they are not covered by objective 2 funding.

15:15

**The Convener:** We should leave the answer on objective 3 funding until another time.

**Mr McConnell:** It will take me only a few words to answer the question: objective 3 funding covers the whole of Scotland.

**Dr Jackson:** Yes, but I gather that resources are targeted.

**Mr McConnell:** Yes. It is important that we get the targeting right and have flexibility across Scotland. Funds are targeted to objective 2 areas and the transition areas. We did everything we could to consult local authorities. Some provided us with detailed information about the most appropriate wards, while others were less able to do so. It was important for us to provide that opportunity. There are wards in different local authority areas that, if statistics are taken in isolation, appear to be among the most needy in Scotland. That is why we have to make the best use possible of the transition funding. If there are any adjustments to the map, we will continue to bear those areas in mind.

We have managed to negotiate to the point where we have the maximum targeting that is possible. To focus in further, with regard to the size of groups of wards, would be difficult and might jeopardise the whole map, but we will do everything that we can to ensure that the transition funding is put to the best use. Let us be frank about this matter: the objective 2 areas that have

lost their coverage on the map include some of the most prosperous parts of Scotland. The transition funding will not be needed in every single one of those wards, but it is needed, and will be needed, in some parts of Stirling, Dundee, Keith in Moray district, in some parts of Ayrshire, Falkirk and perhaps in some parts of Edinburgh. We want to make the best use possible of the transition funding. It is important that we try to do that without exaggerating the impact that the funds can have: it is only slightly more than €150 million over the next five or six years, but it is an amount of money that we can work on.

**The Convener:** What is driving the question—as has been commented on by a number of members—is that there are obvious anomalies, with areas of opportunity being included and areas of need not being included. We are looking for an assurance that it is still possible to address any obvious anomalies.

**Mr McConnell:** It would be wrong of me to raise expectations that there is some kind of appeals process, but there is a process of discussion with the Commission about the map that has been submitted. It does no harm for members of Parliament to make representations on behalf of particular areas because if, for example, the Commission said that in general the map was agreeable but certain parts of it were unacceptable, that might open doors for other areas, but I would not want to raise expectations. All I can do is encourage members to write to me on behalf of particular areas and the letters will not only be replied to, they will be used during discussions if we have the opportunity to do so.

**Dr Jackson:** May I say one quick thing?

**The Convener:** We are running out of time, Sylvia.

**Cathy Peattie (Falkirk East) (Lab):** It is important not to underestimate the impact of the funding. It is a small amount of money, but for Falkirk that means taking a strategic approach with other agencies to deliver something that is positive. The funding covers social inclusion partnership areas. We are talking about unemployment levels of between 12 and 15.5 per cent within communities, where other moneys have been brought in to try and deal with the issues of high unemployment and poverty. It is disappointing that whole areas of Falkirk have not been included.

**The Convener:** I do not want to cut off the minister's reply, but I do not want this discussion to start focusing down on particular areas: it is principles that are important to this discussion.

**Mr McConnell:** I would be happy to address Cathy Peattie's points if she writes to me.



I am conscious of the fact that because we had to meet the guidelines and the criteria, and because we had to negotiate down to groups of wards that fitted together in a way that made a map justifiable, there are parts of Scotland that appear on the face of it to be among the most needy that are not included on the map. It is difficult to include them, but it is not impossible for us to target the transition funding to those areas. I would appreciate it if members wrote to me about those areas and they can be sure that we will do whatever we can to try and improve the economic prosperity of those areas, which is the whole purpose of the funding.

**Cathy Jamieson:** I will talk about the same subject, although I will not go into detail about a particular couple of wards in a certain constituency, because Jack knows them as well as I do. I am glad that comments that were made at this committee previously have been taken on board. It is fair to say that there are some areas that have been included on the map when, in the initial draft, they did not appear to be anywhere near being considered.

I seek assurances in relation to the transitional areas. To an extent, we have already had some assurance, in that there will be a recognition that some areas have been excluded for what might be called technical difficulties with the map drawing, rather than because of a lack of need. There are some areas which, by any objective criteria such as unemployment levels, the need for social inclusion partnerships and so on, fit poverty indicators but are not on the map. Hopefully, they will be given absolute priority under the transitional arrangements.

**Mr McConnell:** I think that my position is very clear on that matter.

**Mr Keith Raffan (Mid-Scotland and Fife) (LD):** I wish to address the principle of using wards as building blocks, which Sylvia and others have referred to. You are right; they are tightly drawn and focused but they reduce flexibility. Of course, even with groups of wards there may be strategic sites just outside, in wards that are not anomalous, which could have a great bearing on employment in the groups of wards that have objective 2 status. That is the kind of problem that we are facing and there are many examples in mid-Scotland, Fife and Stirling, when wards are used as building blocks rather than the travel-to-work areas that were used before.

**Mr McConnell:** With regard to decision making, ultimately it all comes down to trying to make a balanced judgment. We had to create significant areas: that was in the guidelines. We managed to get those significant areas down from the level that they were at and spread the opportunities across more of Scotland. That still leaves some

communities and areas adjacent to significant areas apparently losing out, but that just shows—if I may go back to my first point—the wisdom of the Government in the negotiations in Berlin in arguing for the transition funding.

Clearly, there was always going to be this problem, regardless of what the map looked like. The case for transition funding is absolutely crystal clear. We are very lucky that the UK Government managed to negotiate for it and our job is to make the best use of it, while keeping an open ear and mind to any possible changes that might still arise. However, as I said, I do not want to raise expectations because this outcome has been the product of three months of negotiations and it is already at the margins of what the Commission is prepared to agree to.

**Allan Wilson:** On the benefits of devolution, as you know, Jack, I have been sceptical in the past.

**Mr McConnell:** Really?

**Allan Wilson:** Yes, with regard to the alleged benefits of devolution. I accept entirely the point that you are making that giving the Scottish Executive and the Scottish Parliament a role in determining how to target funds is a potential benefit, but surely it is only a benefit—irrespective of some of the political posturing that has gone on—if we can target the funds into the areas of greatest need and social deprivation.

With regard to Keith's point, what is the correlation between the objective 2 map and the assisted area status map, which is drawn up at a UK level? There will be some overlap and duplication, but some areas will find themselves on one map and not on the other. The Executive must target available surplus resources away from those areas that do not need assisted areas support and into those areas that do, but which find themselves outside the objective 2 funding. That would be a benefit of devolution.

**Mr McConnell:** No matter how devolved we are, or how devolved we could be, inside the European Union—on this day of discussing words in relation to Europe—it is important for us always to recognise that we are not the sole agents in this matter. With regard to the funding mechanisms, we are negotiating, discussing and agreeing within criteria. The criteria for the assisted areas map are different from the criteria for the objective 2 map.

We have done what we can to try to ensure that the maps link together, but if they had completely mapped across each other there would have been more squeals across Scotland, because one of the benefits of the criteria being slightly different is that, as Dr Jackson said at the beginning, there are some parts of Scotland that have assisted areas status and do not have objective 2 status, and some are the other way round. At the very

least, hope and opportunity have been given to more areas than otherwise would have been the case.

Our job, as the Executive and the Parliament, is to ensure that we use both sets of funds to the best possible advantage of as many communities in Scotland as possible, and that in seven years' time we find ourselves in an even stronger set of economic circumstances so that when the funds get stretched to the east of Europe, those of us on the far west of Europe are able to survive economically in an increasingly difficult world.

**Ben Wallace:** On the matter of the payments and the estimated €600 million, will it be paid in instalments? I note that we have to take into account euro currency fluctuations which, for long-term planning, could mean either more or less money, depending on how the money is paid. Will the money be paid in instalments, and does the Executive have plans to provide compensation if there are fluctuations in the value of the euro, which has fluctuated by 15 per cent this year?

**Mr McConnell:** I am conscious of the fact that over the next seven years there could be fluctuations in the euro and that that would affect the value of what we have been allocated. It is hard to make predictions. Clearly, on an annual basis we will have to take fluctuations into account with regard to the number of project applications that can be put forward.

The money does come in instalments. It does not come at the beginning of the seven-year period, which we should be thankful for in some ways, because I suspect that over the coming seven years the value of the euro will increase rather than decrease, regardless of activities that might be occurring in another place.

**Bruce Crawford:** It was interesting to hear Ben arguing that early entry into the euro might be a good idea. [*Laughter.*]

I want to address objective 2, and particularly the 5b element and the impact on tourism, but I can see that the minister is in a hurry.

**Mr McConnell:** I am sorry. I indicated to the convener in advance that I have a pressing appointment at half-past 3.

**Bruce Crawford:** I will write to the minister.

**The Convener:** There are a number of things that we have not been able to address and that I want to flag up, and it would help if we could have a written reply. The first concerns administration. We have programmes with reduced funding. Can the current number of executives be supported with the current level of administrative costs? There is also a need for an exit strategy with regard to objective 2 funding and it would be useful to see where that is going. There is a need

for the plan teams to be fully representative of the areas covered. In one or two geographic areas—for example, Glasgow—I believe that that is not always the case. On the issue of urban coverage, was urban coverage based on the use of a comparable index of indicators, because reference was made to using comparable indicators between Scotland, England and Wales? What are the indicators? We can have a written reply to those questions.

**Mr McConnell:** Obviously, at all times members have the opportunity to write to me with further questions and comments. I would be happy to receive both and I will try to respond to them more promptly than we were able to do at times during the summer, when we were in the middle of some difficult negotiations on objective 2.

I thank the committee for the opportunity to be here. I was going to comment briefly on the programme management executives and the monitoring committees. In Brussels last Tuesday I launched a review of both. It is my intention to include elected members of local authorities, trade unionists and business representatives on the replacements for the old monitoring committees. It is also our intention to streamline, learn lessons and produce effective programme management executives to cover the new programmes for the next period. It is also our intention, as ever, to ensure that this committee has the opportunity to comment on those plans and reviews as the weeks go by between now and the end of the year, when we must have everything in place. I give you that guarantee. We will submit a paper to the committee for its consideration as soon as possible.

**The Convener:** It would also be helpful if we could arrange to have you back to talk about the new programmes.

**Mr McConnell:** I am sure that we will find opportunities to do that.

**The Convener:** Thank you. I know that you want to go.

We will break for five minutes.

15:31

*Meeting suspended.*

15:37

*On resuming—*

**The Convener:** The next item is the scrutiny of European documents. We may take this item relatively slowly, so that we do not miss anything out.

## Scrutiny

**The Convener:** Did everybody receive the comments from the Health and Community Care Committee?

**Stephen Imrie (Committee Clerk):** The comments were sent to me in an e-mail.

**The Convener:** So they have not been circulated?

**Stephen Imrie:** No. I was going to read them out. There is only one comment.

**The Convener:** Obviously, you should read out some of it.

The first document is consideration of the report from the Health and Community Care Committee on the "Proposal for a Directive of—"

**Stephen Imrie:** That is a separate document. We need to go through that committee's comments first.

**The Convener:** Sorry. Let us return to the scrutiny recommendation note of sift date 6 October, document 295 (EC Ref No 10499/99, COM(99)372 final). The recommendation is:

"Await explanatory memorandum and consider at next committee meeting."

Agreed?

**Members indicated agreement.**

**The Convener:** Next, the recommendation on document 298 (EC Ref No 10461/99, COM(99)377 final CNB 99/0164) is for no further action.

**Bruce Crawford:** I agree that there should be no further action, but the dates that are involved are worrying. The deposit date in the UK Parliament was 18 August and we are being asked to reply by 22 October. I know that we have nothing further to say, but there has been a heck of a long lead-in time for this document to arrive here. If the same process were to be used in future, there would be difficulties if a matter arose on which we had something to say.

**Stephen Imrie:** I think that that is probably the case. As I have said on a number of occasions, the summer timetable and summer recess have caused us some problems. I will speak to my colleagues in the Cabinet Office to see whether we can speed things up in future.

**The Convener:** For document 310 (EC Ref No 10408/99, COM(99)364 final), we are advised to take no further action. That is agreed.

For document 317 (EC Ref No 10541/99, COM(99) 352 final 99/0152 (COD)), we are advised to consider the matter at the next meeting.

That is agreed.

For document 331 (EC Ref No 10644/99, COM(99)427 final), we are advised to take no further action.

**Bruce Crawford:** What does the "Notes and Decision Rationale" section in the sift/scrutiny recommendation note mean with regard to this document? I know what the text says, but I am not sure what it actually means.

**The Convener:** Where is that?

**Bruce Crawford:** The text says:

"A reading of the EM does not appear to highlight"

the point about the Data Protection Act 1998. Does that mean that the point is not relevant?

**Stephen Imrie:** What I meant is that the convener and I have read through document 331 to follow up the query that was raised on 28 September about whether data protection was included in the scope of the directive. It does not appear to be and that was clarified in discussions with the Executive.

**The Convener:** For document 335 (EC Ref No 10553/99), we are advised to take no further action. That is agreed.

For document 337 (EC Ref No 10672/99), we are advised to consider the matter at the next meeting and a briefing paper will be produced on the link between the European investment fund and the European Investment Bank.

**Dr Winnie Ewing:** A very good funding mechanism seems to have disappeared. The European Investment Bank granted money to banks in the UK—although Scottish banks were not in the scheme until people complained—which meant that banks had more leeway when granting overdraft facilities and could take greater than normal risks in the commercial world. However, although the scheme benefited business start-ups and so on, it has stopped. Can the briefing paper contain information about whether the scheme is still with us; and, if it is not, whether that is because the banks cannot be bothered to keep it going?

**The Convener:** We will consider that matter in the briefing paper.

For document 340 (EC Ref No 10704/99, SEC(99)66 final), we are advised to consider the matter at the next meeting. That is agreed.

**Stephen Imrie:** A few committee members have asked that document 340 be tabled on the agenda for discussion. As a result, we will not be taking it as a scrutiny function.

**The Convener:** Okay.

For document 341 (EC Ref No 10705/99,

COM(99)367 final), we are advised to consider the matter at the next meeting. That is agreed.

For document 346 (EC Ref No 10736/99, COM(99)388 final), we are advised to consider the matter at the next meeting. That is agreed.

For document 347 (EC Ref No 8615/99, COM(99)292 final 99/0125 (CNS)), we are advised to take no further action. That is agreed.

For document 348 (EC Ref No 9807/99, COM(99)322 final), we are advised to take no further action. That is agreed.

For document 349 (EC Ref No 10251/99, SEC(99)1213), we are advised to consider the matter at the next meeting. That is agreed.

For document 350 (EC Ref No 10742/99 COM(99)348 final), we are advised to consider the matter at the next meeting. That is agreed.

**Dr Ewing:** Document 350 could be important to our citizenry. I do not know whether other committee members are aware of the case in the Highlands of the lady whose child has been abducted by her husband, who has done it before. A Scottish court enforced a French court's judgment, even though we warned the court that the man had abducted the child before. The child is now missing in the depths of Europe and Interpol is on the case. As such judgments among member states can cause problems in our constituencies, perhaps we can exercise care when the matter comes up.

**The Convener:** Okay.

For document 351 (EC Ref No 10902/99, COM(99)178 final), we are advised to take no further action. That is agreed.

For document 352 (EC Ref No 10906/99, COM(99)407 final), we are advised to take no further action, but we should refer the matter to the Health and Community Care Committee. That is agreed.

For document 353 (EC Ref No 8023/99, ENFOPOL 36), we are advised to take no further action. That is agreed.

**Dr Ewing:** This came out of a report when I was chairman of the committee, following Heysel. The recommendation of the committee of the Parliament at that time was that there would be a constant review of the situation. I would have thought that this was relevant in a football-crazy country such as Scotland.

**Stephen Imrie:** Document 353 is the Austrian delegation's submission. It is not the complete report.

**Dr Ewing:** I would not mind seeing it.

**Stephen Imrie:** I will collect the complete report

and give it to members for their interest.

**Allan Wilson:** Is there any similar report on football hooliganism within member states?

**The Convener:** For document 354 (EC Ref No 10950/99, JAI 67 AG27), the recommendation is no further action. That is agreed.

For document 355 (EC Ref No 10543/99, EVAL 47 ELARG 88), the recommendation is no further action. That is agreed.

For document 356 (EC Ref No 10938/99, COPEN 35), the recommendation is no further action. That is agreed.

For document 357 (EC Ref No 11177/99), the recommendation is no further action. That is agreed.

For document 358 (EC Ref No 10708/99, COM(99)414 final) the recommendation is no further action, but to copy it to the Transport and the Environment Committee for their interest.

For document 359 (EC Ref No 10866/99 COM(99)213 final), the recommendation is no further action. That is agreed.

**Dr Ewing:** I do not know about other members, but I receive a lot of letters from vets about this matter. They are upset about restrictions on their ability to prescribe. Perhaps it was when I was a member of the European Parliament that I got those letters, but it was a big issue for vets.

**Maureen Macmillan:** Veterinary medicines are more expensive in this country than in other parts of Europe.

**The Convener:** This is a specific document relating to veterinary medicinal products and analytical, pharmacotoxicological and clinical standards.

**Dr Ewing:** It is a codification.

**The Convener:** Yes.

For document 360 (EC Ref No 10900/99, PESC 278 COASI 16), we are advised to take no further action. That is agreed.

For document 361 (EC Ref No 10907/99, COM(99)408 final), we are advised to take no further action. That is agreed.

For document 362 (EC Ref No 10948/99 COM(99)303 final), we are advised to take no further action, but to send it to the Enterprise and Lifelong Learning Committee for their interest. That is agreed.

For document 363 (EC Ref No 10956/99 COM(99)373 final), we are advised to take no further action. That is agreed.

For document 364 (EC Ref No 10971/99,

COM(99)365 final), we are advised to take no further action. That is agreed.

For document 365 (EC Ref No 11050/99, COM(99)412 final), we are advised to take no further action. That is agreed.

For document 366 (EC Ref No 11076/99, COM(99)351 final), we are advised to take no further action. That is agreed.

For document 367 (EC Ref No 10999/99, SEC(99)1280 final), we are advised to take no further action. That is agreed.

For document 368 (EC Ref No 11157/99, COPEN 39), we are advised to take no further action.

**Bruce Crawford:** On 368, when we say no further action, does it mean that we will not do anything until we receive it, and then we will think about it, or does it mean that we will not do any more about it?

**The Convener:** That is it finished.

**Bruce Crawford:** I remember some controversy about aid being provided for internal EU residents within different countries and the problems with that. Was that matter not discussed at the Justice and Home Affairs Committee? Should we not let it see that?

**Dr Ewing:** The Justice and Home Affairs Committee should see that.

**Allan Wilson:** We would have to give it document 356 as well.

**Bruce Crawford:** Yes. I intended to come back to that. We should give both those documents to the Justice and Home Affairs Committee to let it see them.

**The Convener:** The recommendation is to amend document 356 to include reference for its interest to the Justice and Home Affairs Committee. That is agreed.

For document 368, the recommendation is also that it should be passed to the Justice and Home Affairs Committee. That is agreed.

For document 369 (EC Ref No 11097/99, COM(99)430 final), we are advised to take no further action. That is agreed.

For document 370 (EC Ref No 11012/99, COM(99)426 final), we are advised to take no further action. That is agreed.

For document 371 (EC Ref No 11013/99, COM(99)428 final), we are advised to take no further action. That is agreed.

For document 372 (EC Ref No 11117/99, COM(99)447 final), we are advised to take no further action, but refer it to the Enterprise and

Lifelong Learning Committee for its interest. That is agreed.

For document 373 (EC Ref No 11102/99, COM(99)446 final), we are advised to take no further action, but to send a copy to the Transport and the Environment Committee for its interest. That is agreed.

Documents 292 (EC Ref No 10439/99, COM(99)382 final) and onwards are documents that we have already considered and are now coming back to. We referred the common fisheries document to the Rural Affairs Committee for scrutiny.

15:45

**Stephen Imrie:** That document has been circulated to the Rural Affairs Committee. Unfortunately, I understand that it has not been able to hold a formal meeting prior to our committee meeting, in order for us to inform the Executive and Westminster. However, the convener and the clerk of the Rural Affairs Committee invited members of that committee to send any comments to me before this meeting. I have not received any comments. If I had, I would have incorporated them into this committee's report on the document.

**Dr Ewing:** My concern, as I have said already, is that the document talks about the justification for centralising the Fisheries Advisory Committee, but it does not say why it is advisable to centralise it. It worries me that it is to be centralised, unless our fishing associations are involved.

The document also talks about Europe-wide associations, which, as I have already said, fills me with cynicism because if there is a formula you can bet that certain countries are right in there. We are sometimes a bit slow in ensuring that we fit the formula. Is a European association one that our Scottish Fishermen's Federation has some involvement in? It probably does, but it worries me a bit. I asked one of the members of the Rural Affairs Committee to pass on that concern to the SFF and to seek clarification: perhaps it has been done by now.

**Tavish Scott:** I share the concerns of Dr Ewing. I asked my local fishermen's association about this matter. Its concern was that the way in which the committee is constructed is not set in tablets of stone. As far as I understand it, the committee effectively has not done anything since 1971.

**Dr Ewing:** It does not work.

**Tavish Scott:** Any step forward would be a step forward. The point that Dr Ewing makes is correct, in that when we go—and I hope that we do—to a regional structure of fisheries management, the committee structure should be able to adapt to

that change. The two points are that we do not want matters to be set in tablets of stone, and that the structure should be able to adapt when changes happen, as they will in 2002.

**The Convener:** I am struggling with the timetabling of the meetings of the Fisheries Council on 26 October and of the Westminster European Scrutiny Committee tomorrow. The Rural Affairs Committee has not had the chance to look at the document, so what do we do, Stephen?

**Stephen Imrie:** It was agreed between the clerks, with the approval of the Rural Affairs Committee convener, that the Rural Affairs Committee would not be able to meet before this meeting, but that the committee would give us whatever comments its members had. We would then be able to proceed, having referred the document to the Rural Affairs Committee and received its comments.

**The Convener:** So what comments do we want to include, because presumably we will be providing a view on behalf of the Parliament?

**Tavish Scott:** I would like to agree with what Dr Ewing said. We do not want the European Committee to be set in tablets of stone. It must be able to adapt in future to changes in the way in which fisheries management is structured. That is the important comment that must be made

**Dr Ewing:** As Scotland has the second fleet in Europe we must ensure that it has some form of representation on the advisory committee, no matter who else does not.

**Tavish Scott:** Absolutely.

**The Convener:** We will draft a letter in my name, and on behalf of the committee, to the Executive and to Westminster, which makes those points.

**Dr Ewing:** Thank you.

**The Convener:** The next document for consideration is document 301 (EC Ref No 10485/99, COM(99)329 final 99/0158), which concerns the directive on food additives other than colours and sweeteners.

**Stephen Imrie:** Document 301 was referred to the Health and Community Care Committee, if you recall. That committee held a special meeting last Thursday. Ben Wallace, who is on both committees, attended the Health and Community Care Committee meeting to put forward some of the views of the European Committee. I understand that two officials from the food safety unit of the Scottish Executive attended that meeting to address some of the concerns of committee members.

The clerk has sent me a short note on the meeting which she has asked me to draw to your

attention. If you will indulge me, I will read out the main paragraph:

"The Health and Community Care Committee voiced concern that if additive E 650 is added to the coating of chewing gum used as a nicotine substitute, more than the safe dosage may be ingested given that a higher than normal number of pieces may be chewed during a day. They asked that, if this is the case, it is taken into account in any evaluation and that the Scientific Committee for Food monitor the position."

That was the main point that they wished to bring to our attention and we are asked to incorporate it with the views of this committee. At a previous meeting we had recommended no further action; we were going to send a letter from our convener to the Executive and to the Westminster committee.

**Bruce Crawford:** What is this E number, and what is the chemical?

**Stephen Imrie:** The E number is E 650. I studied chemistry for a previous degree, so if I can find the reference I will put myself on the spot.

**The Convener:** That is why you have ended up on the European Committee.

**Stephen Imrie:** This is straightforward. I will not tell you the chemical formulation, but the chemical name is zinc acetate.

**The Convener:** Can we agree to forward a response which says that we received comments from the Health and Community Care Committee, making it quite clear that those are their deliberations?

**Cathy Jamieson:** I appreciate that this is not something that is of interest to everyone, but there are a number of people who are very concerned about additives, particularly in relation to allergies. While we might make light of this particular example, we should perhaps comment that the key issue here is about people's choice, which relates to adequate labelling.

**Stephen Imrie:** In the discussions between the clerks, one of the strong messages from our committee was that the health committee's focus should be on this document. A number of serious concerns on food additives were raised, which the Health and Community Care Committee has taken on board for examination at a later date.

**Cathy Jamieson:** That gives me a great sense of relief. Thank you.

**The Convener:** Our response will be specifically in relation to this document.

**Allan Wilson:** Is the health committee the lead committee on food additives? As Cathy correctly points out, all food additives and suchlike are authorised by Europe.

**Stephen Imrie:** I do not think that I could

comment on that. Food safety is within the remit of the health committee, but I think that it would probably work as it has before. The European Committee is the lead committee but it may want to make referrals to other committees on particular subjects.

**The Convener:** If there were anything legislative that we had to go through in detail, the Parliamentary Bureau would presumably make a recommendation to the Parliament about which should be the lead committee. At present we are being asked to comment on a particular document. The general points that have been raised will be looked at by the health committee, if necessary. I think, however, that it will help if we say in our response that those comments were from the health committee.

**Bruce Crawford:** My apologies, I must leave.

**The Convener:** Now that Bruce is leaving, shall we move on to the discussion on objective 2 and funding? [*Laughter.*]

The clerk has drawn to my attention that the Justice and Home Affairs Committee has referred a document back to us.

**Stephen Imrie:** Document 302 (EC Ref No 3710-01r1) has been referred back to us by the Justice and Home Affairs Committee, which noted the document but did not have anything substantial that it wished to bring to our attention.

I advise the committee, although it has not been clarified exactly how this will work, that there is discussion within the parliamentary services about taking on another person in the legal office to assist the committee in its understanding of the contents of these documents. That will help with the scrutiny process and will provide members with more briefing. We are conscious that you require support in understanding the detail of the documents beyond what the clerks are able to provide. We are considering human resource allocation with a view to increasing the number of people who are available to help you in your deliberations.

16:00

**David Mundell:** As we found out last week, there are many avid readers of our *Official Report*. The point was raised that it would be most helpful for them if EC references could appear in the *Official Report*—I notice that Stephen has put that into the minute—so that people could easily trace the document that we have been discussing.

**Stephen Imrie:** I have spoken to our official report colleagues about the matter. Rather than trying to do that as we are going through a document, I have agreed that I shall go back to the *Official Report* and insert the EC reference so that

readers outside the Parliament can know what specific European document the committee was talking about.

## Consultation Process

**The Convener:** Item 3 is an update on the consultation process.

**Stephen Imrie:** I advise members that, over the past couple of weeks, we have sent out a fairly substantial mailshot to more than 200 organisations throughout Scotland. Thankfully, that was not my responsibility but that of my colleague David Simpson, who has given sterling service. We are still welcoming new contacts to which we can send the terms of reference, and we have received some comments back. The deadline is 4 November. We will prepare a summary document for the committee, on whom we sent that mailshot to, who has replied, and what kind of issues have been raised during that process.

**The Convener:** Thanks very much, Stephen.

## Convener's Report

**The Convener:** Scotland week was a success. Several members made their way to Brussels under their own steam, and we were impressed not only by the effect that Scotland week had, but by the general level of interest in it that was shown within the Commission and the European Parliament, and by other regions. It would be fair to say that it has done Scotland and its Parliament a power of good, as far as our profile in Europe is concerned.

**David Mundell:** I was very impressed by the week and the activities that were going on, as well as by the level of interest that was shown. It might be useful for us to ask the Executive for the feedback that it has received on the week.

**The Convener:** Good idea.

**David Mundell:** The feedback from everybody whom we have met has been positive. It will come as no surprise to anybody here that people in Europe, and within Brussels, are very interested in this Parliament. It was a bit more surprising to me that they were interested in this committee and its activities, and that they were able to quote back bits of our *Official Report* to us. That level of interest was positive, and we want to build on it. The Executive is to be congratulated on the initiative of Scotland week, as well as on the Scotland House initiative, which was also very impressive.

**The Convener:** I agree to write to the Executive, on behalf of the committee, to congratulate it on the initiative and to ask for a report of the week's

activities and the conclusions that were reached.

**Dr Winnie Ewing:** I am sorry to have to mention something not so pleasant, but Mr McConnell has apologised to me for forgetting to put me on the list. By the time he said that he wanted me to go, at the very last minute, I had already accepted an invitation to be the guest of honour at a fund-raising dinner in London. I felt a wee bit sad that I was not in Brussels. After 24 years as a member of the European Parliament—and I am the only member of this committee who was a member of the European Parliament—I do not know how I came to be overlooked. I would have been quite happy to pay my own way, but I was just not included. I would like that to be noted in the minutes.

**The Convener:** I met the deputy chairman of the SPD group in the Bavarian Parliament. This is one of a number of expressions of interest that we have received from regional parliaments and assemblies throughout Europe. David is absolutely right: there is a huge amount of interest in what is happening in Scotland. Herr Maget brought the best wishes not just of the SPD group, but of the Bavarian Parliament as a whole, and indicated that the Parliament would at some point like to meet formally the committee and representatives of this Parliament to discuss areas of common interest. The Bavarians would be more than happy to meet us here, but any member of this committee who happens to be in Bavaria is also welcome to contact the Bavarian Parliament. What Herr Maget said about the history of Bavaria and its relationship with the German state raised issues of relevance to our future relationship with other parts of the United Kingdom.

Winnie, you met the Basque representative.

**Dr Ewing:** Yes.

**The Convener:** What was his response?

**Dr Ewing:** I met the minister responsible for foreign affairs. The Basque country is a remarkable part of the Spanish state, because it has more powers than Catalonia. In terms of its powers, the Basque country compares more closely with Scotland than Catalonia does. However, because of the erstwhile violence in the Basque lands, which seems to have come to an end following the magnificent agreement that has been signed by all parties—I hope that it works—nobody wanted to make that comparison.

The Basque country is a marvellous place to visit. It has an amazing co-operative movement, which has to be seen to be believed. The Basques are very hard-working, energetic people, with their own mysterious language—no one knows how it got there and where it came from, but it is what they like to speak. It was very interesting to hear about their plans. Like the Bavarians, they hope

that some members will want to visit their Parliament. I have done so many times.

**Cathy Jamieson:** Winnie has alluded to the co-operative movement in the Basque country. I was disappointed that I was unable to attend the meeting, because I have a special interest in co-operation. I want to make a general point about the short notice that we receive about such meetings. I appreciate that that is sometimes outwith the control of the clerks, but it is difficult to break commitments that we have already made in order to meet people at short notice. I would appreciate it if we could do something about that.

**The Convener:** Much of this is outwith our control, as some delegations make their own arrangements. For example, I had two days' notice of the meeting with the representative from Bavaria. That is unfortunate.

Before I come on to the East of Scotland European Consortium conference, I should mention that we have received another expression of interest. The foreign affairs adviser to the Dutch Prime Minister will be at parliamentary headquarters on 27 October, between 11 am and 12.30. He is interested in meeting available MSPs. Could you check your diaries? Stephen will circulate this information to other members of the committee. I do not know whether the adviser wants to talk only about the European dimension, or whether he is interested in other subject areas. However, I suspect that we will receive more such requests.

On the same day, from half-past 1 to half-past 3, a representative of the Spanish Government—the junior minister for regional government—and the President of the Valencian regional government would like to meet some MSPs. That will be on Wednesday 27 October. Again, we will circulate that information to committee members.

On 9 November, representatives from the regional government of Saxony-Anhalt will be available to address the committee on regional development and on how they deal with European affairs. We are certainly broadening our horizons.

Finally, the East of Scotland European Consortium conference will take place on 26 November. I have received an invitation to participate, but the consortium has also invited up to four other members of the committee to do so. We are looking for available and interested committee members to take part. Does the committee want to leave the matter until the next meeting?

Sylvia has volunteered straight away. Will other committee members consider the remaining three places? Perhaps Stephen could drop members a note with additional information as a separate item for next week.



## Briefing

**The Convener:** Are there any other requests for briefing? If not, the next meeting will be on 26 October. Stephen, is there sufficient business for a meeting on 26 October? There is no point in dragging members into a meeting just for the sake of it when we could wait until the meeting on 9 November.

**Stephen Imrie:** There will be the committee's regular scrutiny function of papers received since we last carried out a sift. We wanted to put the sixth economic report on regional development on the agenda for discussion on 26 October. The meeting after that on 9 November will be partly taken up with the delegation from Saxony-Anhalt. To be fair, we would want to allocate a fairly substantial proportion of the meeting to visitors from that far away. I leave it to members to decide whether there is sufficient business for 26 October.

**The Convener:** I suspect that we should wait until 9 November.

**Tavish Scott:** With great respect to our visitors, we will not be giving them three hours of the committee's time.

**The Convener:** Are we agreed to have the next meeting on 9 November? That is agreed. We will notify the members who have left early so that they do not turn up on 26 October. Thanks for your attendance.

*Meeting closed at 16:11.*



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