

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 26 January 2010

Session 3

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

1st Meeting 2010, Session 3

CONVENER

*Irene Oldfather (Cunninghame South) (Lab)

DEPUTY CONVENER

*Michael Matheson (Falkirk West) (SNP)

COMMITTEE MEMBERS

Rhona Brankin (Midlothian) (Lab)
Ted Brocklebank (Mid Scotland and Fife) (Con)
*Patricia Ferguson (Glasgow Maryhill) (Lab)
*Jamie Hepburn (Central Scotland) (SNP)
Jim Hume (South of Scotland) (LD)
*Sandra White (Glasgow) (SNP)

COMMITTEE SUBSTITUTES

Jackson Carlaw (West of Scotland) (Con)
Ken Macintosh (Eastwood) (Lab)
Gil Paterson (West of Scotland) (SNP)
Iain Smith (North East Fife) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Dr Ian Duncan (Scottish Parliament European Officer)

THE FOLLOWING GAVE EVIDENCE:

His Excellency Carles Casajuana (Spanish Ambassador to the United Kingdom)
Andrew McConnell (Scottish Government Business, Energy and Enterprise Directorate)
Consul-general Federico Palomera-Güez (Consulate General of Spain)
Tony Rednall (Scottish Government Criminal Justice Directorate)
Peter Reid (Scottish Government Housing and Regeneration Directorate)

CLERKS TO THE COMMITTEE

Lynn Tullis
Simon Watkins

ASSISTANT CLERK

Lewis McNaughton

COMMITTEE ASSISTANT

Kathleen Wallace

LOCATION

Committee Room 2

Scottish Parliament

European and External Relations Committee

Tuesday 26 January 2010

[THE CONVENER *opened the meeting at 10:31*]

Decision on Taking Business in Private

The Convener (Irene Oldfather): Good morning, colleagues. I welcome everyone to the first meeting in 2010 of the European and External Relations Committee. I have received apologies from Ted Brocklebank, Rhona Brankin and Jim Hume.

Item 1 is to decide whether to take in private item 7, which will involve a short discussion of how to progress our European Union 2020 strategy, and item 8, when I will report back on the European Commission-United Kingdom meeting. Do members agree to take those items in private?

Members *indicated agreement.*

Presidency of the Council of the European Union (Priorities)

10:32

The Convener: I welcome His Excellency the Spanish Ambassador to the United Kingdom, Carles Casajuana, and the consul general of Spain, Federico Palomera. As members know, Spain took over the rotating presidency of the Council on 1 January. The ambassador and the consul general are here to address the committee on the key priorities for their nation's presidency over the next six months.

Thank you for your written submission, which is highly informative. I know that committee members will want to comment on it and discuss some of the items to which you refer, but before I bring in my colleagues, would you like to say a few words of introduction?

His Excellency the Spanish Ambassador to the United Kingdom (Carles Casajuana): Thank you very much. The first thing that I want to say is that it is an honour for me to represent Spain at this meeting and to have the opportunity to discuss our priorities with the committee.

As you know, Spain is a country that is strongly committed to the European ideals. We firmly believe in the European project. We are a member state that has one of the smaller percentages of Eurosceptics. We owe a lot to the Union—we know that and are always ready to admit it. We also know that the answer to many of our people's concerns lies in a European response to the problems that we face. If we want to fight climate change, to have effective and sound financial institutions, to fight terrorism and to create jobs, we need to work together.

We see the presidency as a service to the Union, its member states and its citizens. That is why it is very important for us to discuss our priorities and to listen to people's impressions of them, which is why this opportunity to discuss our priorities is especially helpful to all of us.

Our fourth presidency of the Union is happening at a very special time, with new institutions being introduced and a new treaty in force. We now have a permanent EU President and a High Representative of the Union for Foreign Affairs and Security Policy with increased powers, and will—very soon, I hope—have a new Commission. The rotating presidency will have a limited role in the new institutions. We welcome that and will make it our first priority to help to establish the institutions and ensure that they work properly.

Under the Lisbon treaty, presidencies now work in trios, and we have to co-ordinate our role with

the Belgian and Hungarian presidencies. We have discussed our priorities to ensure continuity, and I can talk about those new institutional arrangements if the committee wishes.

As I said, our first priority is to support the new institutions and ensure that the Lisbon treaty is fully implemented as soon as possible. Having spent such a long time discussing the new institutional arrangements and putting the Lisbon treaty in place, the Union now needs to address citizens' problems and concerns, the biggest of which is the economic downturn. In that respect, we can discuss the 2020 strategy.

We are also giving special attention to two other areas: social issues—in particular gender issues—and strengthening the Union's role in the world. With regard to the first area, the Spanish Government is, as you know, committed to gender equality and we will be working on an observatory on domestic violence and a European protection warrant that will protect victims of all crimes, but mainly those who have suffered domestic violence.

With regard to the second area, we fully support the new high representative and her increased powers, but we will also try to ensure that under our presidency the Union expands its role on the international stage. If the committee wishes, I am happy to discuss a number of bilateral summits that are coming up.

I am ready to take members' questions and comments. As I said, this is a great opportunity for us. We need to listen to the views of all citizens, and the committee's views will be particularly valuable to us. As you know, the Union's agenda and committees cover a wide range of issues, and I hope that I will be able to answer your questions. If you have a technical point that I am not able to answer, I will be glad to get back to you in writing.

Thank you very much for this opportunity to talk about our presidency.

The Convener: Thank you very much, your excellency. In your submission, you refer to the implementation of the Lisbon treaty and say that one of the areas on which you would like to place great emphasis is

"The development of the EU 'solidarity' and 'general interest' clauses".

How does Spain intend to take that forward?

Ambassador Casajuana: The solidarity clause establishes that all member states will co-operate in case of a terrorist attack or a human disaster. We have some instruments in place in that regard; what we need now is to have in place the procedures to use them. We will try to ensure that that happens. It will take a while, however. It is a question of political will—if that will is present, it

will not be difficult for all member states to assist each other. We need to work on the procedures to implement the Lisbon treaty. We are already working with the Commission and the office of the high representative on how to proceed.

You referred to the European citizens initiative. The Lisbon treaty establishes that, if a million citizens of "a significant number" of member states wish to submit a proposal to the Commission, they can do so, provided that what they are suggesting is within the remit of the Commission. There are a number of issues to be addressed in that regard, such as what we mean by "a significant number" of member states. There seems to be some consensus around the idea that that would mean seven or eight member states. The matter of the issues that can be raised could be tricky, and will have to be discussed. We have asked the Commission and the councils to provide us with their thinking on the matter. The Commission will prepare a report that will discuss how the initiative can start to be implemented under the Spanish presidency.

The Convener: The initiative is interesting, as it brings with it the possibility of connecting citizens with the EU, if the processes and mechanisms can be worked out.

I have a number of questions, but I know that my colleagues have some as well.

Sandra White (Glasgow) (SNP): Good morning, and welcome to the Scottish Parliament. On the solidarity clause, you mentioned how the EU reacts to emergencies. I know that the EU reacted to the emergencies in the Congo and Gaza. Will aid to those countries continue, if they are still in the same position?

Ambassador Casajuana: I do not know that I understood your question. Are you asking whether the solidarity clause will apply outwith the EU?

Sandra White: I think that, in response to the convener, you said that the EU has the means and wherewithal to react to emergency or disaster situations outwith the EU, and I know that it has helped in areas such as the Congo and the Gaza strip. Will that continue under the Lisbon treaty?

10:45

Ambassador Casajuana: Yes, but we are talking about two different things. The solidarity clause is for situations of terrorist attack or human disaster inside the Union. There is political will on that, as we have proved. It is very good to have that in the treaty, and it feels reassuring. Now, we need to establish the necessary procedures to act. Until now, it has been a matter of the political will of member states.

There is also political will regarding emergency situations outside the Union. The Union has shown that we are prepared to give succour to people in need in emergency situations. It depends on the political landscape and on the positions of member states concerning the concrete situation.

Sandra White: That leads me to the citizens initiative, which you mentioned. If 1 million signatures are submitted from seven, eight or nine member states, that might go some way to continuing to provide aid to the two countries that I mentioned. How do you envisage the citizens initiative working in practice? Hypothetically, could the citizens initiative be a constructive tool to address the issue of self-determination for those regions in the EU that wish to seek more power for their countries, or the fundamental right of being an independent country in the EU? Would the citizens initiative be able to push that forward?

Ambassador Casajuana: Self-determination within the EU?

Sandra White: Yes. I am asking about the citizens initiative. If a million citizens in the EU, perhaps from seven, eight or nine member states, submitted their signatures—they could be from a country such as Scotland or from Catalunya—would that be enough, under the citizens initiative, to determine full self-determination within the EU? Could the citizens initiative be used for that?

Ambassador Casajuana: We are in uncharted territory—I do not know. As I mentioned, one of the biggest issues is to establish what questions may be addressed under the procedure. Once we open the door to people's initiatives, it will not be easy to say that the mechanism can be used only for some things and not others. As we know, having a million signatures in a democracy brings a lot of leverage.

That said, my impression is that the particular issue that you mention will never come under the remit of the European Commission. Therefore, technically, it would not come under the initiative. However, the matter is to be discussed—we have not yet discussed it, so I cannot tell you. As I said, however, we are stepping into uncharted territory, so we will have to see.

The Convener: The clear point is that the issue would have to be relevant to European Union policy matters or deliberations.

Sandra White: Sorry, convener, I do not mean to interrupt—well, I do mean to interrupt—but I take on board what the ambassador is saying: we are in uncharted waters, and the process has not been tried yet, therefore there are no rules or regulations about what the 1 million signatures could be for. I wish that I could write those rules—unfortunately, I cannot—but I am certainly open to

ideas. Thank you, ambassador—that has put some thoughts in my mind.

Jamie Hepburn (Central Scotland) (SNP): I welcome the ambassador and the consul general to the Parliament.

The ambassador has written that the Lisbon treaty's

"effective startup will be a clear priority of the Spanish Presidency."

You have reiterated that point today. I have a few questions about that. First, will the treaty be fully operational by the end of the Spanish presidency? Secondly, as far as you can tell, what is the opinion of the treaty among people in Spain? Thirdly—this is the question that I am most interested in—how will the subsidiarity principles that are set out in the treaty work in Spain? That is of particular interest to us as a devolved jurisdiction, and I am aware that there are many devolved jurisdictions in Spain.

Ambassador Casajuana: We hope that the Lisbon treaty will be fully in place by the end of our presidency. We are already implementing it—we have the new institutions and, as you know, the permanent President of the Council is in office and has convened an extraordinary meeting of the European Council for 11 February. He is already taking the lead on the difficult issue of the 2020 strategy and the economic downturn. Parts of the treaty need development, such as the people's initiative and the solidarity clause, which we have discussed. We need to work on procedures and regulations to allow the clauses to be implemented fully. That will take perhaps a few months, but we hope that the main work will be over by the end of our presidency.

I am not sure whether I understood your other questions perfectly. You mentioned the subsidiarity clause. In Spain, as in all European countries, we are fairly attached to the idea that our authorities should deal with issues that can be dealt with at local, regional or national level. We prefer that but, as I said in my opening remarks, there are big issues that must be addressed at the European level. That is why you will find that, in Spain, people are extremely committed to Europe. A survey of public opinion would find that most people are generally in favour of European institutions and initiatives, so perhaps for us the implementation of the subsidiarity clause has never been as big a problem as it is in other areas. That said, we are attached to having local authorities, autonomous regions and national authorities dealing with the big issues that can be dealt with at those levels.

Jamie Hepburn: My concern is not so much about the decision-making process, because here in Scotland some of the decisions that are taken at

EU level or on a pan-European basis will be implemented at devolved level by the Scottish Parliament and Government. My concern—which I suspect at least some of my colleagues share—is that the interface for dealing with the European Union has always been through the member state, and that will remain the case under the treaty. How does Spain ensure that its devolved jurisdictions are consulted? I am keen to consider how the system will work in the UK and Scotland, and I wonder what we can learn from Spain.

Ambassador Casajuana: I fully understand your point, and I see that the issue is important for people in Scotland. It is also important for Spain and Spanish people. However, it is perhaps not an issue for the presidency to discuss—that is for all member states and the European Parliament. It is not something that can be addressed in a single moment; we must all be vigilant and ensure that what can be addressed at a Scottish level is not dealt with at European level. It is for your representatives in the European Parliament and for all member states to see to that. I do not see it as a special priority for the presidency, because it is a permanent objective, not only of the presidency but of all member states.

Jamie Hepburn: I have some questions on the enlargement of the European Union. Your submission states:

“The Spanish Presidency will promote sustained and visible progress in accession negotiations with Turkey.”

In what areas, in particular, do you hope for “sustained and visible progress”?

Ambassador Casajuana: This is a very sensitive issue, because there are strong views concerning Turkey and not all of them coincide. There is no consensus on how far we can go, so it is a delicate issue. Let me first say that Spain is fully in favour of Turkish membership of the EU. Secondly, we favour continuing the negotiations for Turkish accession, and we will try to push them as much as we can.

Having said that, there are some hurdles. As you know, there are a number of chapters in the negotiations. We would like to open, if we can, four new chapters, but we do not know whether that will be possible. We are sure that we will be able to open a new chapter of negotiations on food safety, and we would like to open negotiations on energy, which we feel is important for all members of the EU, but Cyprus could have some reservations about that. We would also like to open chapters on public procurement and competition. We could already be working on those important issues, but perhaps the Turkish side is not yet fully prepared to start the negotiations, because that would mean Turkey having to implement some reforms. During our

presidency, we will promote negotiations as much as we can.

Jamie Hepburn: One issue that you did not mention in relation to Turkey—I am aware that the EU has been strong on the issue in respect of the accession of some former eastern bloc countries—was ethnic minority linguistic and cultural rights, which we know are denied, in particular, to the Kurdish people in Turkey. Is that issue of importance and relevance to the negotiations? Is it one of the issues on which we hope for sustained and visible progress?

Ambassador Casajuana: As you know, that is one of the issues that make the negotiations very sensitive; the questions are delicate. Our view is that continuing with the negotiations for Turkey's accession to the EU will favour reform and the cause of human rights in Turkey for all its citizens, including, of course, the minority that you mention.

11:00

Patricia Ferguson (Glasgow Maryhill) (Lab): Good morning. I was interested in your comments about the need for the EU to be a bigger global player. How can the presidency address that issue? Given Spain's particular geography and history, are there some nations with which you may have more leverage than other member states have? How will you exploit those relationships, if they exist?

Ambassador Casajuana: The Union must be a world player and cannot afford to be absent from any part of the world. That said, there are certain areas to which we must attach priority. The first is our neighbours. We must establish the best possible relations with all our neighbours, both on the eastern side and in the Mediterranean. Spain, being a Mediterranean country, will always place a lot of emphasis on our Mediterranean relations, which are extremely important for us in many areas, such as immigration, security and economic relations. The Union's security will be better served by having good relations with all the north African countries and all the other countries in the Mediterranean basin.

As members know, during our presidency we will hold a summit with all Mediterranean countries, within the framework of the Union for the Mediterranean—the Barcelona process. Sometimes it is not easy to move forward in the area because of regional differences, especially the middle east conflict. However, we hope that, by the time that we hold the summit, the new secretariat for the Union for the Mediterranean will be in place in Barcelona.

Another area on which we wish to place emphasis is Latin America, which is important for Spain and the Union. In May, we will hold a

summit with Latin American countries in Madrid, where we hope that the Union will be able to sign association agreements with central America and some countries in South America, especially Colombia and Peru. We hope that negotiations with Mercosur will progress before and during the meeting.

We will also hold an important summit with the United States, which is our main interlocutor outside the Union. There are a number of issues to be addressed. We will have to talk about security and energy. As the committee knows, Janet Napolitano, the United States Secretary of Homeland Security, took part in a meeting of home ministers of the Union in Toledo to address the question of security and the fight against terrorism. After the failed terrorist attack on Christmas day, we are working, in close co-operation with the United States, on how to increase our security. I mentioned energy; we will also discuss all the other big issues on the international scene: Afghanistan, Iran, Iraq, the middle east and so on.

During our presidency, we will hold bilateral summits with Mexico, which is important for Spain, and with Canada, which is also important. We will hold a summit with Morocco for the first time—that will be extremely important for all of us and for the Union as it could mean a boost for reforms in that country, which we believe would be in the interest of all member states. We will hold a summit with Russia, which will be important for a number of reasons, such as the need for the Union to establish a framework of relations with that country. We will also hold summits with Japan and Pakistan.

Some of those summits will be held in Madrid, and others will take place in Brussels. The Spanish Prime Minister, José Luis Zapatero, will host the Madrid summits, but Herman van Rompuy will lead the Union in those meetings. We want to ensure that we follow the Lisbon treaty at his level—it is his job to receive, and to lead in the relations with, heads of state and Government.

The Convener: That is interesting, because Spain holds the presidency at a time when the first permanent representative has been appointed to lead the European Union. A permanent President allows for some continuity and stability, particularly in working with the troika countries. What practical differences have you observed since the creation of the new roles of President and high representative?

Ambassador Casajuana: The main practical difference will be in the agenda. Until now, the main priorities have changed a little under each presidency. That was good in one sense, but perhaps not so good in another. It was useful in that it brought the Union closer to the different

member states and to its citizens. A country such as Spain could make the point during our presidency that Latin America is important for all of us. A Swedish presidency might tell us that the Eastern bloc and Russia are very important. However, that approach was not that useful in terms of effectiveness; it is much more effective to have continuity. It will be very good for the Union to have a permanent President of the European Council who can organise the meetings, prepare the agenda and ensure that the main issues are ripe for discussion. A permanent President can ensure that pressing issues continue to be addressed from one country's presidency to the next.

Even though it was technically possible under the system of rotating presidencies to change the priorities, Governments have still had to follow the important issues of the day. No country could now deny that the economic issue is the number 1 priority. We already had some continuity in that sense, but I am sure that a permanent President will bring greater continuity and effectiveness. It is not only the position of President that is permanent, but the support team—a permanent group of people who will take care of the big issues for European citizens, which will lead to greater effectiveness.

Michael Matheson (Falkirk West) (SNP): Good morning to you both. I want to turn to the social issues on which the Spanish presidency has decided to focus, particularly the battle against gender-based violence, to which the ambassador referred. It would be interesting to know what the main factors were that influenced Spain's decision to make gender-based violence a key priority for its presidency. The ambassador outlined two key areas in which Spain would like to see action: the European observatory and the European protection order for victims. Why were those two issues highlighted as priority mechanisms to help deal with the issue of gender-based violence?

Ambassador Casajuana: We believe that gender-based violence is a problem all over the European Union. We have data that show that it is an issue that we need to address. All countries in the Union are addressing it, so there is no problem there; the problem is that we sometimes need co-operation between member states on the issue. For instance, we all have national protection warrants for cases of domestic violence crimes, although they can be applied to other crimes, too. Judges can issue warrants to protect victims, which are extremely effective in protecting them from repeat crimes. However, in cases involving a couple who come from different countries, it would be helpful to have a European protection warrant. Technically, that will not be easy to achieve, because we are dealing with very different legal systems. However, it could be the beginning of

close co-operation in a field in which that is needed.

On the European observatory, we want more attention to be devoted to the issue. We do not want to create a new institution; we want a focal point where information about these crimes can be collated, secured and made known to everybody. If member states accept our proposal, the observatory would deal only with domestic violence; the European protection warrant could be used for other crimes, and could be not only for victims but for witnesses. In fighting organised crime, for example, we need to protect witnesses, so it would be useful to have a mechanism for co-operation between member states in that regard, too.

Those are the ideas behind the issues for Spain's presidency. Spain is making these proposals because the Spanish Government has put a lot of political energy into the issues at national level. Citizens have accepted that, and we feel that there is much progress to be made in those areas.

Michael Matheson: That is very helpful.

My second question is on enlargement. I am interested to know what progress you expect to see on the accession of Croatia to the EU during the Spanish presidency and on Iceland's move to the EU. In particular, do you envisage problems with Iceland's attitude to the common fisheries policy?

11:15

Ambassador Casajuana: Negotiations with Croatia are well advanced. Some people believe that its membership could be signed during 2010; others believe that that would be premature or even technically impossible. The first remaining hurdle is the bilateral conflict issue that Croatia has with Slovenia regarding the Piran Bay. We feel that we are close to an agreement on that but, technically, the procedures for approving the agreement could take a while.

The second issue is that some member states have doubts concerning Croatia's level of co-operation with the international criminal tribunal for the former Yugoslavia. Again, we feel that co-operation is increasing and that the hurdle could be overcome in a short period. Whether we will have Croatia as a member in 2010 or whether it will take perhaps a few more months remains to be seen.

As you know, Iceland has expressed a will to become a member of the EU. There will be some issues to be discussed, although perhaps not so many, because Iceland is already more or less integrated in the internal market, so in many

respects negotiations should not take a long time. You mentioned the common fisheries policy as a possible area of discussion, and there are also financial issues to be discussed. That said, we hope that, if the people of Iceland want their country to become a member of the EU, the objective will be reached soon.

Michael Matheson: Do you envisage that it will be reached in 2010?

Ambassador Casajuana: Perhaps not, because even if the process is fast, there are a number of things to be addressed and I do not think that it would be technically possible. I am not an expert. Perhaps our experts on enlargement could say that it depends on certain things, but my impression is that, even if all conditions are met—and there is no reason why they should not be—it will take a few more months for technical reasons.

The Convener: I have some questions about EU 2020 and economic recovery, which you mentioned in your opening remarks. If we asked ordinary citizens what is most on their minds at the moment, the issues would be sustainable jobs, and the financial problems that we have experienced and how we exit from them. Will you say a little about how the Spanish presidency is working on those matters? We know that the Commission has produced its EU 2020 document to follow on from the Lisbon growth and jobs strategy, but we are concerned about the tight timescale for consultation on that. The Commission closed the consultation on 15 January, when we did not even have the commissioners in place. I hope that there are still opportunities to get involved in the discussion about the issues. I would be interested to know how Spain is tackling the matter. I understand that the Spanish presidency is interested in setting targets. Will you say a little about that?

Ambassador Casajuana: This is one of the biggest priorities for all of us. We have to review the so-called Lisbon strategy, and we have now agreed that we will have a 2020 strategy.

The Commission has proposed a number of objectives. Basically, it proposes that there should be environmentally sustainable growth that is based on innovation without social exclusion within a connected and mobile Europe. Those are the main issues. We all agree on the objectives but, as members know, there has been a wide debate about how we will reach them. Our heads of Government will meet on 11 February and set the main guidelines; the process will then start. The economic and financial affairs council—ECOFIN—will discuss those guidelines, and other ministerial committees will also have to discuss them. We hope that the 2020 strategy will be approved either at the spring council at the end of

March or—most probably—at the June European Council.

There are a number of related issues, one of which is the wide agreement that we should review our mechanisms to ensure that we meet all the objectives. Perhaps the best way of doing that would be through enhanced surveillance mechanisms. However, the issue is tricky and sensitive, and it will be discussed by the heads of Government on 11 February and probably at the European Council, when they approve the strategy.

An enormously important related issue is the stimulus packages exit strategy. As members know, there is a common view that we must ensure that the stimulus packages are not withdrawn before sustainable growth is reached. Growth must be sustainable for all of us, and there might be different views on the right moment to withdraw the packages. Again, that is a matter for the heads of Government to discuss. We all agree that we want environmentally and socially sustainable economic growth, which means fighting all kinds of exclusion—leading us back to the gender issue again, for instance. We need inclusive mechanisms that will ensure that socially sustainable growth is reached.

The convener mentioned financial issues. As members know, the Swedish presidency did a great job. Under it, we approved the de Larosière package on regulatory bodies and financial regulation. That package now has to be discussed with the European Parliament and the Spanish presidency. Financial directives are also still under discussion. One such directive is the alternative investment fund managers directive, which concerns hedge funds and equity funds. That is to be discussed under our presidency, and we hope to reach an agreement on it. An important directive on savings taxation is also under discussion. We hope that we will find common ground for a solution.

We are all aware of the importance to the European Union of financial centres such as London and Edinburgh. We know that we need to keep those financial centres as powerhouses of the Union and we do not want to lose them. We need regulation, to avoid a repeat of what has happened, but we know that we must strike the right balance in order not to throw out the baby with the bath water.

The Convener: As you know, 2010 is the year for combating poverty. Does the Spanish presidency have any initiatives on poverty and social exclusion?

Ambassador Casajuana: Do you mean initiatives in the Union?

The Convener: Yes.

Ambassador Casajuana: The issue should be dealt with in the 2020 strategy. As I said, we need economic growth that is socially sustainable. To reach that objective, we need to have inclusive growth, which means fighting poverty all over Europe.

We are also concerned about poverty outside the Union, to which the millennium development goals relate. The United Nations will have an important meeting in September to review those goals—we will not change the goals but have a mid-term review of how we are working to reach them. We want the Union to be fully prepared for that—the issue will be on the agenda of all ministers who deal with co-operation and of the European Council in June.

Sandra White: I am pleased by what you said about economic recovery. One of my great hopes is for the Spanish presidency's outreach work. You mentioned summits with Morocco and other key players; I wish you the best in all those summits.

You talk about global peace, and fair and enduring peace in the middle east. You will meet Egypt, Tunisia, Israel, Algeria and Lebanon. I cannot pre-empt what you will say, but will the situation of Palestine and Gaza be raised at those meetings?

Ambassador Casajuana: Yes—that question will be raised. The middle east conflict is a permanent concern of the Union. It is extremely important for the Union that a peaceful solution be reached as soon as possible. As you know, Mr Javier Solana—the former high representative—devoted extraordinary attention to the dossier when he was in office, and we are sure that the new high representative will do so, too. The issue is extraordinarily important for the security and wellbeing not only of people in the middle east but of people in the Union.

Sandra White: I will make a tiny plea, although I cannot tell you how to run the presidency. I see that Spain will meet Israel, Algeria and Lebanon. Will no thought be given to having a Palestinian representative at the talks?

Ambassador Casajuana: The Palestinian representative will of course take part in the Euro-Med summit.

The Convener: I regret to say that we have run out of time. On the committee's behalf, I thank you for your attendance and your submission. All committee members extend to you our best wishes for the rest of the Spanish presidency and in reaching the objectives that you have set.

Ambassador Casajuana: Thank you—it has been an honour and a pleasure to be here.

The Convener: I suspend proceedings for a couple of minutes to allow the ambassador to leave.

11:30

Meeting suspended.

11:33

On resuming—

European Union Services Directive

The Convener: The third item on our agenda is evidence from Scottish Government officials. I welcome Andrew McConnell, who is a policy officer from the business competitiveness division; Tony Rednall, who is a policy officer from the criminal law and licensing division; and Peter Reid, who is a senior policy officer from the housing markets and supply division. I thank them for coming to the committee and for providing us with a helpful update, which is included in our papers. Members will recall that we received a letter from the Cabinet Secretary for Finance and Sustainable Growth on this matter and agreed that we would investigate it a little further, with a view to passing on any relevant information to other subject committees.

Would one of our witnesses like to make an opening statement?

Andrew McConnell (Scottish Government Business, Energy and Enterprise Directorate): I will make a few opening remarks, if that would be helpful. The aim of the services directive is to open up the internal market in services, just as the market in goods has been opened up, and to do so through the removal of unjustifiable barriers to service provision. The Department for Business, Innovation and Skills is the lead UK department in implementing the directive and we have worked closely with BIS on implementation in Scotland. As the cabinet secretary's letter mentions, the Scottish Government asked the UK Government to transpose the general provisions of the directive into law: that has been done and it took effect from 28 December.

We have been dealing with two main issues, the first of which is the screening of all Scottish legislation to find out whether it falls within the scope of the EU services directive. If it does, we consider whether any changes must be made in the light of the directive. Actually, very few areas have been found that could need changes.

My colleague Tony Rednall is leading on the Civic Government (Scotland) Act 1982 and the Licensing (Scotland) Act 2005. At present, his team feels that nothing directly comes into conflict with the directive, although it will be appropriate to make some amendments in order to remove any ambiguities.

Peter Reid is dealing with the Antisocial Behaviour etc (Scotland) Act 2004 and the Housing (Scotland) Act 2006. His team feels that amendments are likely to be needed. Both

colleagues will continue to work with local authorities on implementation, because local authorities have particular interests in those acts.

The second main issue has been the point of single contact. Service providers that require licences will be able to apply for them electronically. A point of single contact has been set up for the UK, which will allow application forms to be completed online and sent to the appropriate authority, such as the local authority. As members will imagine, that has been an enormous information technology task, but the PSC is now up and running. We are going through a process of connecting local authorities and other authorities to it and making all their forms available online. That process is continuing and we hope that it will, in the main, be completed in the next three months.

I hope that that synopsis is useful.

The Convener: On the point of single contact, is there simply a technical issue about ensuring that there is a link to Scottish local authorities, or are there additional issues about ensuring that the advice that is provided is tailored to Scottish businesses?

Andrew McConnell: The point of single contact sits on the business link and business gateway websites, so general business advice is already provided for people who want to go into business in Scotland. Specific advice is being provided on which licences people require and how they go about getting them, and there are links to local authority websites. That is the information that is being put in place.

The Convener: Are discussions on that on-going? You said that you expect the problems to be ironed out in the next three months.

Andrew McConnell: As you will imagine, it is an enormous task. Every local authority has up to 40 licences that come within the directive and there are hundreds of local authorities in the UK. Links must be established not only to every local authority, but to every licence that each local authority provides. There is an on-going process to establish the links, test them and ensure that all the IT glitches are ironed out.

The Convener: What happens in the interim?

Andrew McConnell: In the interim, the existing procedures for companies applying for licences are being used. If a company goes through the point of single contact, it will find information on the licence that it requires and which authority it should contact to obtain it. In some cases, there will be a button allowing completion of the form online, but in other cases they will simply be pointed to the most appropriate local authority. The information is there but, over the next few

months, we need to get all the links in place so that people can complete applications online.

Sandra White: Are there cost implications for local authorities? Have they had to buy new IT systems or employ more people? If there are cost implications, has the EU given extra funding to local authorities or the Scottish Government to give to local authorities?

Andrew McConnell: The EU has given no funding—local authorities are having to do the work within their own resources. The Department for Business, Innovation and Skills has offered to create a lot of the standardised forms for the local authorities because it realises that it would be an enormous task for 32 different Scottish local authorities to create their own forms. The local authorities can use the standardised forms if they wish, and they can be hosted within the point of single contact. The other option would be for local authorities to create their own forms and host them on their own websites, but that would have major cost and time implications.

Sandra White: I raised the point because we said that we would pass any information on to other committees. Perhaps the Local Government and Communities Committee should be made aware of cost implications for local authorities, given that their budgets are so tight at the moment. Thank you for that answer.

The Convener: Thank you Sandra; that was helpful.

Jamie Hepburn: My point is particularly about how the directive will affect social housing. The paper that was provided by the Government's social housing division has left me a little bit confused about how the directive might affect social housing. I am aware that that is still being considered, so I do not know whether the witnesses are able to answer the point. The submission says that some social landlords might fall within the directive's scope, and some might not. How will that work? If the service is social housing, then either they all will or they all will not come under the directive's remit. It does not make sense to me, so can you explain it?

Andrew McConnell: If it is found that some social landlords fall within the scope of the directive, the whole service will be found to be within its scope, so that service provision will have to comply with the directive.

Jamie Hepburn: That is much clearer, thank you.

Michael Matheson: It appears that there are two acts that might not comply with the directive. If amendments are required to the Housing (Scotland) Act 2006 or to the Antisocial Behaviour etc (Scotland) Act 2004, how quickly do you

envisage their having to be made? Obviously any timeframe will depend on the Parliament.

Peter Reid (Scottish Government Housing and Regeneration Directorate): We are consulting lawyers at the moment, and we are looking to instruct shortly, so Tony Rednall and I expect progress on a section 2(2) order under the European Communities Act 1972 shortly.

Patricia Ferguson: What discussions are you having with the Scottish Parliament and internally within the Government to ensure that any bills that the Government or members might introduce are compliant so that nothing need be done retrospectively to provisions that they might put in place?

Andrew McConnell: We have raised general awareness of the provisions in the Scottish Government. Over the next few months in particular, we will examine legislative proposals from the Scottish Government to ensure that they are compliant.

UK legislation has generally been found to be compliant anyway because we have a light-touch approach to regulation. We will certainly ensure that everyone who will introduce bills in the next few months is fully aware of the implications of the directive. We are aware of a number and variety of bills that have been drafted, and they have taken into account the directive's provisions.

Patricia Ferguson: Has there been liaison with Parliament about members' bills?

11:45

Andrew McConnell: Thank you for that point: we will ensure that we do that.

Patricia Ferguson: I asked the question as I have a vested interest—I have a bill proposal before Parliament at the moment and I am particularly interested to know how the directive will impact on it. I am sure that other members will be in similar situations. I can think of at least one other bill that is currently making its way through Parliament—the Control of Dogs (Scotland) Bill—on which the directive might impact.

Tony Rednall (Scottish Government Criminal Justice Directorate): I work in the division that liaises on the Control of Dogs (Scotland) Bill. We are aware of what is going on and we are examining the bill in terms of the EU services directive.

The Convener: Patricia Ferguson has raised a valid point. In writing to our various subject committees, we should highlight some of the implications of the directive.

Patricia Ferguson: Can we bring the directive to the attention of the non-Executive bills unit? We

could even ask the Scottish Parliament Corporate Body to advise members on it.

The Convener: Yes—that would make sense.

Sandra White: I spoke to Patricia Ferguson about the matter earlier and am concerned about it in relation to her bill proposal, which I have signed and which falls under the housing aspect of the directive.

I am also concerned about the Criminal Justice and Licensing (Scotland) Bill, to which I have lodged several amendments to deal with lap-dancing clubs. There are also issues to do with prostitution. How soon would you be able to get back to us and other members on whether the amendments that have been lodged are acceptable under the directive?

The Convener: In relation to the business that is currently going through the Parliament, has there been any assessment of whether the directive has implications for any proposed bills or amendments?

Andrew McConnell: We have not undertaken a formal trawl of what is happening, although that is something that we would want to do. Solicitors in the Scottish Government are well aware of the provisions and will advise officials who are progressing Government bills. We definitely need to raise general awareness of the directive, so that everyone is aware of the implications.

Sandra White: Two bills are at stage 2, and amendments to them are being lodged this week and next week. I am lodging amendments to both bills: it would be worrying to find that the work that has gone into drafting amendments—not just members' amendments, but Government amendments—had been wasted.

The Convener: If the committee agrees, we could write to the corporate body to highlight the issue.

Members indicated agreement.

The Convener: Most of the directive has been transposed. Given the outstanding issues, are we compliant with the transposition elements of the directive or are we liable to a European fine or infringement proceedings because we are not fully compliant? Are those issues so minor that they do not infringe on transposition?

Andrew McConnell: I hesitate to answer, because I am not a solicitor. The directive has been transposed into UK law by statutory instrument and we have an on-going responsibility to ensure that all legislation is compliant. I would say that we have on-going work to ensure that we are always compliant and that everything is as clear as it can be under the directive.

The Convener: If the directive has been fully transposed, I would say that we are not liable to infraction proceedings; however, if it has not been fully transposed, we may be. We should seek clarification on that, if you are not absolutely sure.

Andrew McConnell: There is no message coming from the Department for Business, Innovation and Skills at the moment about any danger of infraction proceedings.

The Convener: Is there anything that we have not drawn to your attention or are there any matters that you want to raise with us?

Peter Reid: I think that Andrew McConnell has picked up on this already, but we are in close liaison with local authorities, because there are a lot of implications for them. We want to ensure that the implications of our amending the legislation and of local authorities amending their own processes and procedures are not unduly onerous for them.

The Convener: Thank you for coming along today. We have highlighted areas that you are going to look at and the committee has agreed to write to the SPCB and the subject committees about our deliberations with you today.

The directive has been largely transposed, but we should alert the subject committees to some matters and write to the SPCB. We will leave it to the clerks to draft those letters.

“Brussels Bulletin”

11:50

The Convener: We come to item 4. We have Ian Duncan with us today. Thank you for your comprehensive bulletin. Do you want to make any opening remarks on it?

Dr Ian Duncan (Scottish Parliament European Officer): I have just a couple of remarks to make. As you will be aware, the loss of the Bulgarian commissioner-designate has pushed back the timetable, which will have implications for the publication of the Commission's work programme. The earliest that we can now expect it is towards the end of February, and it might be pushed into March, depending on what happens in the next few weeks.

The other thing that is worth noting is that the troika of presidencies—Spain, Belgium and Hungary—have published their joint work programme, which is a little unusual, because it has been published in advance of the Commission's legislative work programme. As you can imagine, much of what will be in the Commission's programme has already been made more public by the remarks of the troika.

As you would expect, the key things are economic recovery and the successor to the Lisbon treaty. Those are the common themes that run throughout. Other common themes include climate change, energy and energy security and the issues that relate to those. Each of the countries wants to explore specific areas—I will touch on that if members want more information—but the important thing is that the detail of how things will be taken forward will not emerge until the legislative work programme emerges, which could be a few weeks away yet.

The Convener: Thank you for that. I noticed that on page 6 of the bulletin, you give us an update on the European Institute of Innovation and Technology, which the committee has followed for quite some time. It looks as though we were not able to become involved in any of the knowledge and information centres. Is that right?

Dr Duncan: Yes—you are right. As you might be aware, a bid went in with the University of Edinburgh as one of the lead partners, but it was unsuccessful, although it was considered to have lots of merit. There will be others to come in the future, so there might be another opportunity for Edinburgh to revise, collectively with its partners, its proposal. There will be a stocktake to ensure that things are working. There is a slight tension within the EU. As members might be aware, the institute is not as yet fully fleshed out and it is not exactly clear how it will deliver. There is some

concern that there might be tension between it and the European research area through overlap or duplication or consumption of the same funds. There is still some consideration around that.

The Convener: I guess that we will keep a watching brief on that.

Sandra White: I am glad that you raised that, because I wanted to ask about it. We have now missed out twice: we missed out on the carbon capture at Longannet and now we are missing out in the technology institute. Other places—London, Zurich, Berlin and Paris—have not missed out. On page 6, the bulletin refers to energy efficiency and renewables. Has any bid gone in from Scotland on that? I know that you said that we might not know for a couple of weeks.

Dr Duncan: A bid has not gone in yet. The process is just opening up, so I imagine that there will be scope for Scottish partners and players to explore that possibility. It is early days.

The Convener: Would there be a bid for a loan? Would it be up to local authorities to identify a project with which they would seek assistance? I guess that we are in the hands of local authorities in terms of using that fund to promote projects.

Sandra White: We should highlight the fact that there will be another opportunity. I would hate to think that it will be third time unlucky.

Dr Duncan: You might hope that local authorities become aware of the fund and are able to draw down some money from it. They should be aware of it—the funding is certainly available.

The Convener: There are no further points to raise. Do we agree to note the contents of the bulletin?

Thanks very much, Ian. We appreciate the helpful and comprehensive update on the commissioner hearings—it must have been very interesting keeping a close eye on that.

Dr Duncan: “Interesting” is certainly one word to describe it.

The Convener: We applaud your commitment.

Sandra White: The bulletin is a huge big report—it is a great report. There were actually quite a lot of things that I wanted to raise about it. May I write to Ian Duncan on certain issues?

Dr Duncan: If you wish to raise an issue with me, do so by all means, through whatever medium you wish to use.

Sandra White: It is a huge report, and I know we have a lot of stuff going forward.

Dr Duncan: It is a page-turner.

Sandra White: I will raise the matters with the committee first, and we can perhaps write to Ian Duncan on particular points.

The Convener: If you could keep the clerks and me informed, that would be helpful.

Sandra White: I will do that.

China Plan Inquiry

11:56

The Convener: Item 5 is on our China plan inquiry. Colleagues have copies of the responses that we have received from the Scottish Government and the Convention of Scottish Local Authorities. The response from the Scottish Government is very detailed, and the response from COSLA is useful. Included in our papers is a response from Standard Life that was first circulated to members some time ago.

Some particularly positive remarks are worth highlighting. The activity and progress on direct air links is highlighted on page 19 of the responses paper—the committee picked up that point in its inquiry, and we felt that it was useful to raise the matter. I note from that page that the Government is actively pursuing the matter, although we had not been aware of the details. We will keep a watchful eye on that.

Page 20 covers the development of a China toolkit for the Scottish tourism sector, which is a useful element of what we highlighted in our work. Page 21 is about increasing shared activity between Scottish Development International and the China-Britain Business Council, which the committee was seeking.

Page 22 is about exploring

“a more comprehensive mentoring scheme”

for Scottish businesses, which the committee also highlighted as an area where we wished to see progress.

There are a number of other areas of interest in the paper—I do not know whether we have time to go into them all. I assume that colleagues have read the paper in detail. A number of the initiatives that we had raised involving potential links with particular towns and regions are covered. In particular, Standard Life raised Tianjin as a possible new economic centre. The Government has given a commitment to explore such issues and report back to the committee.

It has been a useful piece of work. We should bear in mind that we will shortly be taking evidence from the Minister for Culture and External Affairs for our international inquiry, so there will be opportunities to follow through on some of the issues, especially where the Government has indicated a commitment or interest. If we wish to carry out further work, we can build it into our international inquiry remit, if colleagues are happy with that. Is that agreed?

Members indicated agreement.

Brussels Visit

11:59

The Convener: Item 6 is our Brussels visit report. The committee has discussed it and the clerks have now provided a detailed report, for which I thank them very much. It will be helpful, and we will retain it for future reference and for the next visit to Brussels.

It is worth reiterating that it was a positive visit. It was a good opportunity to meet key figures from the EU institutions. It was good for us as a parliamentary committee to say, “We are here, and we are interested in what is happening.” To have the first “Holyrood Highlights” programme broadcast live from Brussels was a feather in the Parliament’s cap. We obtained some early intelligence on the shape of what is coming up—on the Lisbon treaty, the EU budget and a number of other areas that are of interest to the committee.

Do members have any comments? Are we happy to note the contents of the report?

Sandra White: It is a good and honest report. In some of our meetings, other politicians, particularly Catalan politicians, were very honest with us. The discussions were noted verbatim, hence some of the questions that were put in relation to the Spanish presidency regarding subsidiarity and representation. I am very pleased with the report, and I congratulate the clerks on the work that they did.

The Convener: Jamie? You will be sorry that you missed the visit when you read through the report.

Jamie Hepburn: I am very sorry that I missed the visit. I was not part of the delegation, but it is clear from the report and the feedback that it was a very useful exercise. I hope that the committee can repeat it in the future.

The Convener: We have agreed to take the next item in private. I thank members of the public for their attendance.

12:01

Meeting continued in private until 12:30.

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