



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 21 September 2010

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**Tuesday 21 September 2010**

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**EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**  
**11<sup>th</sup> Meeting 2010, Session 3**

**CONVENER**

\*Irene Oldfather (Cunninghame South) (Lab)

**DEPUTY CONVENER**

\*Sandra White (Glasgow) (SNP)

**COMMITTEE MEMBERS**

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

\*Patricia Ferguson (Glasgow Maryhill) (Lab)

\*Jamie Hepburn (Central Scotland) (SNP)

\*Jim Hume (South of Scotland) (LD)

\*Mr Frank McAveety (Glasgow Shettleston) (Lab)

Bill Wilson (West of Scotland) (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 GAVE EVIDENCE:**

Ian Campbell (Scottish Government Culture, External Affairs and Tourism Directorate)

Geert De Proost (Flemish Representation in the United Kingdom)

Ian Duncan (Scottish Parliament European Officer)

Vanessa Glynn (Scottish Government Culture, External Affairs and Tourism Directorate)

Fiona Hyslop (Minister for Culture and External Affairs)

His Excellency Johan Verbeke (Belgian Ambassador to the United Kingdom)

**CLERK TO THE COMMITTEE**

Lynn Tullis

Simon Watkins

**LOCATION**

Committee Room 6



## Scottish Parliament

### European and External Relations Committee

*Tuesday 21 September 2010*

[The Convener *opened the meeting at 10:32*]

### Decision on Taking Business in Private

**The Convener (Irene Oldfather):** Good morning, colleagues. Welcome to the 11<sup>th</sup> meeting in 2010 of the European and External Relations Committee. We have received apologies from Bill Wilson; unfortunately, he cannot be with us as he is on Rural Affairs and Environment Committee business. We look forward to seeing him at our next meeting.

Are members content to take in private item 6, which is a discussion of issues arising from the evidence of the Minister for Culture and External Affairs?

**Members** *indicated agreement.*

## Presidency of the Council of the European Union

10:33

**The Convener:** We welcome to the committee His Excellency Johan Verbeke, ambassador for Belgium to the United Kingdom, and Mr Geert de Proost, representative of the Flemish Government. As members know, Belgium took over the rotating presidency on 1 July. The ambassador and the Flemish Government's representative are here to address the committee on the key priorities for the Belgian presidency. We hope that we will also have the opportunity today to reflect on some issues that are of concern to Scotland and to take the ambassador's advice on how to take forward those issues in relation to the presidency's priorities. We are here today to pick his brains a little—to use a Scottish phrase. I understand that the ambassador will make a short opening statement.

**His Excellency Johan Verbeke (Belgian Ambassador to the United Kingdom):** Thank you. It is a privilege for us to be here in Edinburgh today in our capacity as representatives of the Belgian presidency. I am joined by the representative of the Flemish region, who is also a member of the Belgian embassy, so that we can address some specific issues, given also that there are many parallels between Scotland and Flanders. My colleague Geert De Proost will focus specifically on questions related to fisheries, agriculture and structural funds.

I will give you a quick overview of what the Belgian presidency means, starting with a few institutional considerations. You may know that the presidency today is not what it was until recently. With the entry into force on 1 December last year of the Lisbon treaty, the so-called six-month rotating presidency has taken on a totally different nature and identity. We now have two new institutions: the permanent President of the European Council, who happens to be a Belgian citizen, Mr Van Rompuy; and the permanent High Representative for Foreign Affairs and Security Policy, who is a United Kingdom citizen, Baroness Ashton. Baroness Ashton is also the vice-president of the Commission. Those elements of stability, continuity and, therefore, coherence are meant in time to bring more continuity to the activities of the European Union. They have been substituted for the rotating presidencies of the past, which meant that every six months another country was in charge. I start with that point because it is important to understand that today a rotating presidency means less than it meant in the past.

We are still in a transitional stage. As you know, Baroness Ashton does not yet have her office and Mr Van Rompuy still has to find his proper place in the complex institutional network of the European Union. That means that the rotating presidency continues to assume certain responsibilities that, at a later stage, should no longer be its responsibilities. I stress that point because we in Belgium prefer no longer to speak about a Belgian programme or Belgian priorities as such for the six months of our presidency. The programme and priorities are being set by Mr Van Rompuy and Baroness Ashton; we are just a member state, like the 26 others. However, because the Union is in transition, we are there to give the necessary impulsions and support to enable the new institutions to find their way.

It is also important to know that, even under the old system, we did not reinvent Europe every six months. There is a lot of continuity in European Union business. First, there are the Commission's legislative proposals—we have known what they are since they came out in spring this year. Secondly, there is the trio programme, which is also a novelty of the Lisbon treaty and involves three successive rotating presidencies sitting together to work out a programme for the entire 1.5-year period. We have done that with the Spanish, who preceded us, and the Hungarians, who will follow us. Thirdly, there is what we call in our jargon the legacy programme—basically, we are expected to do whatever our predecessor could not achieve. In our case, the Spanish presidency was not in a position to do everything that it had expected to do, which is quite normal. We have taken over that business as a legacy and will continue to work on it.

This is the 12<sup>th</sup> time that Belgium has held the rotating presidency of the European Union. We have always taken a pragmatic, no-nonsense approach. You may have seen that we are not trying to use the presidency for self-promotion or to bring Belgium to the fore, with photo opportunities for our Prime Minister and so on. We are focusing just on the real business that we should do.

I will say a few words about the main points that are not part of the programme but about which we care a great deal. I will not say much now about the establishment of the European external action service—the little ministry that Baroness Ashton will have within the European Administration—but members may question me about it. There was a lot of work to be done. I just want to tell you that we had thorough negotiations with the European Parliament and the matter is now settled. The main decision has been taken and we saw that, last week, Baroness Ashton proceeded to make the first 27 appointments of heads and deputy

heads of delegation. I can come back to that if you like.

By the way, as I am talking about the interaction with the European Parliament, there is one point where a rotating presidency continues to have an important role, whether in the old system or in the new system, and that is the interaction between the Council of Ministers, which represents the member states and is therefore essentially an intergovernmental organ, and the European Parliament. As you know, since Lisbon, the European Parliament has become a full, genuine co-legislator with the Council. Whenever the Parliament has different opinions from the Council in one way or another, those positions have to be brought into a common line, and it is the job of the rotating presidency to do that.

If you were to ask me what added value the rotating presidency brings in the new system, in which we have permanent presidencies, I would say that the answer lies in what we call the *trialogue*—the continuing discussions between the Commission, the Council and the Parliament to smooth out whatever differences exist. I mention that in the context of the external action service, because that is basically what we used in that case. We also used it in relation to financial regulations, which I will come back to.

I will give a broad overview of our main accents. The first point, of course, is the need to address the economic situation, which is a rather difficult situation for us all, both as nation states and as regions. In that respect, I mention the Europe 2020 agenda. I will be brief, because questions will come later. The principle of the Europe 2020 agenda was agreed at the June meeting of the European Council, with the five objectives that you know about. I just want to point out one of the objectives—the fourth one, which is that 3 per cent of gross domestic product should be dedicated to research and development. I mention that because it is one of the priorities of the Belgian presidency. We are going to lift that out of the package of five objectives.

What will happen next is the implementation of Europe 2020. It will be a 10-year implementation, so the part that will come to us is just one twentieth of what is to come—10 years divided by two presidencies a year gives us one twentieth of the responsibility. We are going to focus on research and development. Next month, the member states will have to deliver their own national priorities to fit into the five targets, and they will be called the national targets. The Commission is going to sit down with the member states in the coming weeks in order to finish the job by the end of the year.

The second point is that, as you know, the internal market should be strengthened. I know

that that is important for the UK in general and for Scotland specifically. In general, the Monti report, which came out two or three months ago, has been well received by all capitals, including yours here in the UK. Our expectation is that we should work maximally on the implementation of the internal market proposals. We cannot do much at this stage because we are waiting for the Commission to come out with its proposals, which will indeed strengthen the internal market.

In the meantime, however, the specific point that I stress is that we are working hard on the European Union patent. Some of you might know that discussions about that have been continuing for more than 10 years. I was closely associated with the former Belgian presidencies in 1993 and 2001. At that time, we had to deal with the European Parliament and we did not make progress with the European patent. Now, the Belgians are very much pushing for that; it is the language regime that is a big problem. A European patent would be very important in enabling industry to take off again here in Europe. That is one area—the Europe 2020 agenda, with its focus on research and development, and the strengthening of the internal market.

10:45

Another big topic is the strengthening of European economic co-ordination. I will listen to whatever questions you may have on that. You may know that, at the beginning of the year, in the spring, the President of the European Union set up a task force on economic governance. Mr van Rompuy has attended six meetings and, at every European Council, he has reported on progress. He did so just last week—I have the points that he made in front of me and can go into them in more detail if you wish.

Given the economic and financial crisis that we have seen, we have identified some major weaknesses in budgetary discipline. The whole stability and growth pact that we entered into when we set up our work under the Maastricht treaty must be strengthened by more budgetary discipline, which requires more economic governance. Basically, the idea is that we should go beyond the purely budgetary questions and have a look at the underlying issues, such as competitiveness. The Commission is now working on indicators to measure exactly the degree of competitiveness of the different economies and the underlying imbalances in the balance of payment deficits and current account balance deficits. That is the work that Mr van Rompuy is doing right now.

In the context of setting up a more stringent budgetary framework, we are also discussing the setting up of a sanctions regime. The sanctions

may be political, affecting the voting rights of members that do not conform to the required disciplines, or financial, such as withholding structural and cohesion funds from member states that do not comply with the requirements. However, that is still under discussion, and no consensus has been reached yet.

That is all that I will say on economic governance; I now turn to financial regulation. Scotland has important financial centres in Edinburgh and Glasgow.

We now have financial supervision. You will have seen that the financial supervision package has been decided on, in principle, by both the Council and the European Parliament, so it can come into force on 1 January. You have the details of the package. There will be a European supervisory board to assess systemic risks to the system as a whole and so-called European supervisory authorities for three specific sectors—banking, insurance and securities markets. Agreeing all of that was a delicate exercise in which the real political question was the relationship between the new European supervisory authorities and the existing national authorities. The right balance has been struck, proof of which is the fact that both the Council and the European Parliament have agreed on what is proposed. I spoke about the role of the presidency specifically in ensuring that the Council and the European Parliament think along the same lines, and the financial supervision package is an example of how the Belgian presidency could make a useful contribution to the discussion.

Another package is the alternative investment fund management directive, which is rather important for the regulation of hedge funds and private equity firms. It is still under discussion, and Belgium is trying to reconcile the positions of the European Parliament and the Council members. In general, it is less contentious than the supervision question, except for one issue that is still under discussion: the so-called passport for non-European Union firms to enter the European market.

Another package that is under discussion is the regulation of over-the-counter trading in derivatives, and Commission proposals on that are to be expected in the coming days. The proposal on the supervision of credit ratings agencies is still to come; I will skip over the Basel III rules on capital and liquidity requirements.

I will briefly address the issue of enlargement, on which the Belgian presidency is sticking to the basic principles. We have commitments to the countries to which we promised the prospect of joining the EU, as was stated clearly at the European Council of 2006. We will honour that political commitment. However, accessions and

approximations to the European Union are conditional on the country complying with the benchmarks. That is the global philosophy, and it can be applied to the different cases that are out for discussion right now.

We are very close, as you know, to finishing the negotiations with Croatia. The process will not be completed under the Belgian presidency because there is one tricky chapter—the justice chapter—on which we are not yet ready, but accession will be a done deal at the beginning of next year.

Turkey is a very difficult case; I can return to that later if you wish. It looks like we will reach an impasse by the end of the year, which we definitely want to avoid given the strategic importance of Turkey as a partner of the EU.

On Iceland, which I think is more of a concern for the committee, the accession negotiations were opened at the June European Council. The Council uses some language of conditionality in its written conclusions in relation to the outstanding issues between Iceland and the UK, and Iceland and the Netherlands. Those negotiations will, I presume, be followed attentively by the committee and the Scottish delegation, given that the fisheries chapter will be very important for Scotland. The former Yugoslav republics of Macedonia, Montenegro, Serbia and Bosnia and Herzegovina, and Albania are all in the pipeline—albeit at different stages—and are coming closer to the EU.

On justice and home affairs, I will be brief. We are, as our predecessor was and our successors will be, faced with implementing the multi-annual Stockholm programme, of which we are all aware. We have a whole list of legislative proposals, some of which are extremely technical. One example is the recognition of judgments on separation and divorce issues; all such things are part of the programme. We must also undertake an internal security strategy follow-up of the Schengen information system, which again is rather technical, although of course other items involve more political questions such as asylum procedure and the fight against terrorism.

I have mentioned most of the important things; I will say a brief word on climate change and energy. On climate change, as you know, we are heading towards COP—the conference of the parties—16 in Cancún, and we must prepare for that as best we can. Our basic reasoning is that we will distil all the elements that were agreed as part of the Copenhagen declaration to provide a firm basis on which we can work towards Cancún. We know, however, that Cancún is not the end of the road.

The summit at which we will have to agree on a long-term project for the future will be next year's

summit in Johannesburg. We must try to ensure that we speak with one voice. That is important because one of the drawbacks, or weak points, of Copenhagen was that we did not speak with one voice to a great enough extent. We need to be able to speak on the basis of a clear but flexible mandate, and that is basically what the Presidency of the European Council is in charge of.

A lot of things are happening on energy. In November, we will have the Commission's energy plan. The real stuff will be dealt with under the Hungarian presidency next year rather than under the Belgian presidency, given that energy will be discussed on 4 February next year at European Council level, when issues such as energy infrastructure, the internal market for energy, the liberalisation of the market and external energy policy, including energy security, will be tackled.

I will leave it at that, as I see that time is going faster than I thought, but perhaps my colleague should say a few words on agriculture and fisheries.

**The Convener:** Absolutely.

**Geert De Proost (Flemish Representation in the United Kingdom):** Good morning and thank you.

First, I will say a few words about my role here in the UK. I am the representative of the Flemish Government in the UK, so my role is to put Flanders on the map in the UK and its different countries: Scotland, Wales, Northern Ireland and England. The Flemish Government has 10 representatives abroad, including one in London. My role is to deal with the devolved responsibilities of Flanders, which are quite similar to those of Scotland and the Scottish Parliament. We do that in close co-operation with the embassy, as my office is part of the Belgian embassy.

I must admit that I am not an expert on agriculture and fisheries, as my role is more of a general one. However, from time to time I attend briefings at the Department for Environment, Food and Rural Affairs and listen to the UK position on topics on the agenda of the agriculture and fisheries council. As part of my role, together with a colleague at the Belgian embassy, I brief my authorities in Brussels on what is going on in agriculture and fisheries.

As you probably know, there will be five formal council meetings on agriculture during our presidency, one of which has already taken place, on 12 July. There are four others to come, on 27 September, 26 October, 29 and 30 November, and 13 and 14 December. The three last ones will also deal with fisheries issues. At the moment, an important informal agriculture council is taking place in La Hulpe in Belgium, where the topic is the future of the common agricultural policy. We



are still waiting for the Commission communication that will contain the political outlines of the new policy; it is expected to be published in mid-November. Our intention is to have a first discussion of it at the November council and to have an orientation debate at the council on 13 and 14 December.

Another important topic will be the dairy sector and its future post-2015. We know that we are going through a fading-out process. Last year, the council agreed to the creation of a high-level group, which has come up with some recommendations. The political debate on those recommendations will take place in the council on 27 September and the Commission's legislative proposals are expected to be published in November or early December. Other issues on the agenda include genetically modified organisms, legislative proposals on the quality of agricultural products, and plant health, veterinary and food security issues.

11:00

With regard to fisheries, there will be, as I said, three councils in October, November and December, which will focus on two priorities: the reform of the common fisheries policy and the catch quota for 2011. On CFP reform, we will continue the debate that began in July, with the Belgian presidency focusing most of all on the scientific evidence. I should point out that by Belgian presidency I mean, in this case, Flanders, because the Flemish First Minister is the only minister in charge of fisheries and represents Belgium on the fisheries council. To that end, on 9 and 10 November the Flemish Government is holding a symposium on the relationship between the science and fisheries policies. Another conference organised by the Commission and the Belgian presidency will be held in Brussels on 16 November. The Commission's legislative proposals are expected to be published next spring or summer.

On catch quotas, we will try to take the agenda forward and reach political agreements on the total allowable catches for the Baltic Sea at the October council; for deep-sea stocks for 2011 and 2012 at the November council; and for the Black Sea at the December council. As a general TAC and quota regulation proposal is expected in October, it is still a bit too early to say anything about that.

I will stop there.

**The Convener:** Thank you, gentlemen, for that interesting and informative outline of your priorities over the next six months and how you will work with the new presidency. Given the many issues that you have raised of importance and relevance to Scotland, I wonder whether I could ask Mr

Verbeke, first, about EU 2020. I am certainly impressed by the Belgians' pragmatic approach to their policy initiatives. I have to say, though, that we face a real challenge in Europe. Youth unemployment, for example, stands at 20 per cent; indeed, in some member states, it is as high as 40 per cent. As you will be aware, last week the Commission produced a document called "Youth on the Move". Given your comments about the Council, the Parliament and the Commission reconciling matters and working together to reach agreement and to achieve something, I wonder whether you have any thoughts on this matter, because, despite setting out initiatives such as discount cards for young people, the document has already been criticised for failing to have a proper coherent strategy on youth unemployment and EU 2020 and to actually produce jobs. I can see how that view might well come from the European Parliament. Given your reconciliation role, do you have any thoughts on how better targets for youth unemployment could be agreed?

Secondly, have I picked up your comments about political and financial sanctions correctly? Will they be applied to EU 2020 targets?

I have one final point before I bring in colleagues to ask about a number of the key issues that you have identified. You referred to financial regulation. Recently, calls have been made for a financial transaction tax—Mr Schulz has called for that. He has said—this brings me to a different area—that if the Commission will not act on that, he will invoke the citizens initiative to try to force it to act. Will you say a little about how you expect that to play out? What is the Belgian approach to the citizens initiative? The number of member states that would be required to be involved in order to invoke the initiative is not yet clear.

**Johan Verbeke:** I will answer your questions in reverse order. The citizens initiative is an important innovation of the Lisbon treaty. Members might have seen that ball start to roll under the Spanish presidency, and we took that up as soon as we took over the presidency. As you say, divergences still exist between member states about the critical mass that we need for the mechanism to proceed. We continue to work on that. I do not have the details here, but the subject is not felt to be politically divisive in the European Union. In the Council, some issues are divisive, such as a financial transaction tax; other matters are not divisive, but we must still agree on a compromise. I am rather confident that a solution will be found on the citizens initiative in the coming months.

Members might recall that we first discussed a financial transaction tax at the European Council in June, and that we did so very prudently. The

subject was just touched on. In comparison with the language on the bank levy, the language of the conclusions on the transaction tax was extremely prudent, if not sceptical. When we took over the presidency, we convened a special meeting of the economic and financial affairs council, at which we started to address the issue. We took that up again at the beginning of September. We have reached a point—it includes last week's European Council—at which we make a definite distinction between the bank levy and the financial transaction tax, which many people had confused.

It is clear that the financial transaction tax is not a matter of consensus among member states. It even appears—dare I say—that the majority of member states are not in favour of introducing such a tax at this stage, if no international agreement to introduce such a tax is reached, which brings me back to the G20. Without that agreement, such a tax might create a competitive disadvantage.

As members know, European Governments have reached broad agreement to proceed with the bank levy. Some countries—France, Germany, Belgium, Sweden and the UK—have already decided unilaterally to proceed. The discussion was about where the proceeds of that levy should go. Should they go to a European fund to deal with possible bailouts and crises? Should they go to a national level and, if so, should they go to the national budget or a national fund? You in the UK have opted for the national budget; we have done that, too. Other countries have opted for a fund, which involves a moral hazard question. Those issues are being settled, but the financial transaction tax is problematic and will remain so. Even the conclusions of last week's European Council show that that tax is an outstanding question that has not been resolved and probably will not be addressed in the months to come.

Sanctions represent the outstanding economic governance issue. There is agreement on many issues: for example, as you know, everyone has now agreed the concept of the European semester and that, as well as setting budgetary controls, we should also put in place indicators and ensure that there is some procedure to trigger the Commission's examination of underlying imbalances such as private sector debt, housing prices and effective exchange rates. The details need to be fine tuned, but that is all agreed. The enforcement mechanism and the sanctions package, on the other hand, have not been agreed. As I said, there is a difference between political and financial sanctions. Political sanctions, for example, are quite a sensitive issue. If a member of the Union is called on to behave properly but continues not to behave according to the book, they have their voting rights taken away. It is a drastic measure, but there is an overall

understanding that if it needs to be taken, it will be. As you know, it involves the rather elegant procedure of reversing the majorities. Commission proposals require a positive majority for approval but, under the reverse majority rule, a Commission proposal is approved unless a majority of member states vote against it.

There are two approaches that could be taken to financial sanctions. First, proper financial sanctions could be introduced into the system, but the problem is that there is no legal basis in the treaty for doing that. There is a lot of reluctance not just in the UK but in many other countries on the continent for a treaty change. After all, we know how long it took to get everyone on board for the Lisbon treaty, and the current political environment is simply not conducive to trying to bring in a new treaty.

The question, then, is how we apply financial sanctions to a member state that is not complying with budgetary constraints. One could, for example, withhold entitlement to cohesion and structural funds that the country in question can normally claim. That approach is still very much being discussed in Brussels, because not every country agrees with it, particularly countries such as the UK that do not consider themselves to be the potential subject of sanctions as they are not members of the euro and have an opt-out from monetary union.

I can tell you, though, that the EU 2020 package, with all its targets and sub-targets, is not something that can be included in such a sanction regime. On the contrary, in the current discussions about the 2011 budget, we in the Belgian presidency are pleading for the necessary financial room to implement EU 2020 properly. We are asking not for the absolute amount of the budget to be increased—after all, in such times, no one could sell such a proposition—but for certain sub-items to be reallocated.

I am not in a position to answer your question about youth unemployment properly, although Geert De Proost might be able to say something about it. Although the Belgian presidency is particularly stressing research and development, it is true that the first priority is employment.

**Geert De Proost:** We welcome the “Youth on the Move” initiative. It is proposed as a flagship initiative and it is important that it is part of the Europe 2020 agenda and that all the work in the other councils is streamlined within the global process. We also consider that to be a priority and would like to bring it forward. It will be dealt with in the councils for education and youth, which will be chaired by Flemish ministers.

11:15

Mobility is also important in Flanders. It is part of what we call "Flanders in Action", which is our economic and social action plan. One of the targets within that plan is that, by 2020, every young boy or girl should spend at least three months abroad studying or in an internship. It is a very important initiative and we hope that it will also be reflected within the multi-annual financial framework and get the necessary attention.

**The Convener:** Thank you. All my colleagues want to ask questions. We do not have as much time as we would have liked to have.

**Sandra White (Glasgow) (SNP):** I want to talk about youth unemployment. I notice that Belgium is looking to a task force for older people because of the changing demographics, but I am basing my question on the economic advantages that might come from the Belgian presidency, which will be the first to implement the European employment strategy. You mentioned that research and development is one of the most important issues for Belgium and that you want it to contribute 3 per cent of GDP. Are there any other measures that your presidency proposes to ensure that Europe meets the 2 per cent annual growth target and that all the regions of Europe benefit from that while still being protected socially?

**Johan Verbeke:** I am not sure that I am in a position to satisfy your curiosity, which I appreciate, I must say. I am not really familiar with all the sub-items that are within our five targets. As I said to you, we tend to concentrate on research and development in the first instance. Within that focus, we think that one of the first issues to be addressed is resource requirements to ensure that we get that 3 per cent contribution to GDP from research and development. This is not really part of the Europe 2020 programme as such but, parallel to that, we pay a lot of attention to the European patent. That is something that I know much better because we are really working on that every day. We are making progress. As you know, the Commission has proposed that the patent should be restricted to three working languages, and we are requesting automatic translations. All that is going in the right direction and, at this stage, only one or two countries are making some problems, and we hope that we can get to them, too.

However, that was all about research and development. Geert De Proost might have something to say about the specific question.

**Geert De Proost:** On unemployment, it is true that the employment council will very soon look into the employment guidelines as part of the Europe 2020 process. We believe that the 75 per cent target is very important. Belgium and

Flanders have a long way to go, but we would like to focus on marginalised groups or people who find it more difficult to get a job, such as the elderly and women. It is important that the 75 per cent target is not a global figure but can deal with special target groups.

**Ted Brocklebank (Mid Scotland and Fife) (Con):** My line of questioning is directed at Mr De Proost in the main, as I want to talk about fisheries. Fisheries are not one of the Belgian presidency's five main priorities, but they are, of course, extremely important to Scotland, where 70 per cent of the UK's fishery effort is based. Do you see any realistic hope of the common fisheries policy being reformed in the few short months of the Belgian presidency?

**Geert De Proost:** As I said in my introductory remarks, we want to prepare the reform of the common fisheries policy. I think that everybody agrees that reform of that policy is needed for ecological, economic and social reasons, and it is in the interests of Europe to act and take good and wise decisions.

The Commission's proposals will be available next year. It has been said that they will be available in spring 2011, but recent information tells us that they will probably be available in summer 2011.

We would like to focus on getting more scientific evidence because there is, apparently, a lot of missing information in the discussions on stocks. That is why we are organising the symposium that I mentioned in Ostend in early November. Another conference in the same month is being organised by the Commission and the Belgian presidency. The aim is to get more evidence so that Europe can take good and wise decisions in that field.

**Ted Brocklebank:** You will, of course, realise that we have been trying to reform the common fisheries policy for what is getting on for 40 years, without much success. Can the common fisheries policy ever be reformed as long as countries with no coastline are allowed votes on fisheries matters? Perhaps I am being a bit provocative.

**Geert De Proost:** All of that will come together with the multi-annual financial framework. The Commission's first proposals in that regard will come out in early 2011 or the spring of that year. We will see what the Commission has in the budget for agriculture and fisheries and what the impact will be on agriculture and fisheries policies.

**Ted Brocklebank:** My final question is about fisheries and enlargement. You will have seen the recent difficulties with Iceland and the Faroes unilaterally fishing mackerel way beyond their quotas. Why has Iceland chosen to take that particular step at a time when it is up for membership of the European Union?

**Geert De Proost:** I do not know what is behind that, but it will complicate the accession negotiations. The Commission has already said that it will put that item on the agenda and that Iceland needs to respect European interests in those discussions.

**Jamie Hepburn (Central Scotland) (SNP):** I, too, have a question about enlargement, but I would like to ask a question about fisheries first. Having Mr De Proost here provides a good opportunity to ask that question.

It has been explained that Flanders leads for Belgium on the fisheries council. You may be aware that the Scottish Government wants to have a similar position for the UK. You will be glad to hear that I will not ask you to comment on that, but it would be useful to be told in a little more detail about how the Flanders arrangements work in practice. Does your privileged position lead to resentment in Wallonia?

**Geert De Proost:** The co-operation on EU affairs between the different levels in Belgium goes back to a co-operation agreement in 1994. We divided the EU councils, taking into account the separation of powers within Belgium. Responsibilities at the federal and regional levels were taken into account, and the nine councils were split up into six categories. As fisheries policy concerns only Flanders, it has exclusive responsibility for taking up the Belgian fisheries seat, and it takes the chair during the presidency. However, for agriculture for instance, we have another mechanism. There is still a national minister for agriculture, who is assisted by the two ministers in charge of agriculture in Flanders and Wallonia. There is therefore a Belgian trio operating on agriculture issues. In relation to the other councils, on research and innovation policy, for example, there is a duo, in which a regional minister is assisted by a federal minister. Because we cannot send three regional ministers at the same time, a rotating system comes in, and one of the three is sent. The rotating system operates in parallel with the six-month presidencies. If you want, I can give you more information. There is a document giving the detail of how that works.

**Jamie Hepburn:** That might be useful. Thank you for that information.

Mr Verbeke, you mentioned the prospective accession of Turkey to the European Union—somewhere down the line I presume. In the past few weeks, Turkey has held a referendum on its new constitution. There are still concerns about the new constitution, for example among the Kurdish minority, who fear that it is still not good enough to satisfy their concerns. I think you said that the discussions that you are involved in at the moment could head towards an impasse by the

end of the year. Did I pick you up correctly? Forgive me if I did not.

**Johan Verbeke:** Yes.

**Jamie Hepburn:** Will you tell us why?

**Johan Verbeke:** The impasse is because, in order for the enlargement process with Turkey to be sustainable, in a credible way, through time, we must be in a position to open new chapters from time to time. It is the nature of the negotiation process to progress—standing still is not an option. You have to progress and open new chapters. In the last days of the Spanish presidency, we opened a new chapter, which was on food security. In order to keep the momentum, we are willing to open another new chapter, the competition chapter. However, opening a chapter requires a preliminary study by the Commission that says that it is satisfied that the necessary minimal legislation has been adopted by the country involved—in this case Turkey. We would reconTEMPLATE opening the competition chapter, but we cannot do that unless the so-called state aid law has been adopted by the Parliament in Ankara, which has not yet happened. The risk is that we will dry up on chapters on which we can negotiate—negotiation keeps alive the enlargement process.

At the same time, there may be an odd blockage that relates to the implementation of the Ankara protocol. You may recall the Ankara agreement, which was essentially the accession agreement of 1963. There was an addition to that, the so-called Ankara protocol, which provides for the fact that the ports and airports in Turkey should be opened for Cypriot boats and aeroplanes. However, Turkey has not been willing to comply with the Ankara protocol because we, the Europeans, have not complied with our commitment to open direct trade with the northern part of Cyprus, the so-called Turkish Republic of Northern Cyprus. That led to a mutual impasse or blockage. We fear that the report that the Commission will publish in November on the enlargement process and the so-called progress that is being made will look rather dry, if not rather depressing.

11:30

I will leave the pure negotiation track and look at the broader picture. It would put Europe in a very difficult position if it found that things were totally stuck with the most important candidate country for entering the European Union. From a political point of view, that would be extremely embarrassing. We hope that the positive result in the referendum that was held the weekend before last, which will lead to constitutional changes, will create the political momentum in Ankara for it to

adopt the necessary legislation to permit us to open a new chapter. Perhaps having won that battle of the referendum, Ankara feels more relaxed about opening the ports and airports to the Cypriot vessels and aeroplanes. In that case, Nicosia will be in a position to unblock the chapters that are being blocked. That is all rather technical stuff, but the point is that, from a geopolitical point of view, there is no doubt that this is the most important file on the enlargement question.

**The Convener:** We are running very short of time, ambassador, and we have to start our next evidence session with the minister, who I understand is already here. If colleagues feel that any of their questions have already been answered, please do not ask them. However, if you still wish to ask a question, please do so.

**Jim Hume (South of Scotland) (LD):** I have a brief question. I declare an interest in rural matters. Rural development is very important to Scotland—more important than it is to the UK. I am interested in what Belgium would like to happen with rural development and the common agricultural policy by the end of its presidency and perhaps by 2013.

**Geert De Proost:** To be honest, I do not know the answer to your question.

**Johan Verbeke:** The common agricultural policy is definitely not for the Belgian presidency. It will be looked at in the budget and the financial perspectives review that will start next May. Under the Hungarian presidency, in May 2011, we will start having a look at a new financial perspective for 2014 to 2020. We are now at the mid-term review. The new CAP will be studied in that context. France and Germany have already floated an informal paper in which they give broad indications about the lines along which things would evolve—that is really the first element that we have seen in the field—but no debate has yet taken place about the reform of the CAP. Politically, I do not think that we must expect major changes to happen. Most probably, most things will stay where they are. The European agricultural sector has become more competitive on a worldwide scale, given the rise in world food markets generally. Therefore, the need for subsidies may diminish and the political pressure to have the appropriate agreements will most probably be somewhat more relaxed.

**Geert De Proost:** Rural development is also part of the cohesion policy. The Commission will present its interim report before 3 November, when it will outline the future of the cohesion policy as well as rural development. On rural development, the only issue on the agenda that we are dealing with is the revision of a regulation

on the simplification of a control mechanism in rural development.

**Patricia Ferguson (Glasgow Maryhill) (Lab):** You have answered the questions that I wanted to ask, which were on how the presidency works in the new situation. However, while you are here, will you divert a little from today's brief and give us an indication of how negotiations on forming a Government are going within Belgium? The language that we hear from some politicians suggests that those are not going well and that that might lead to the break-up of the state. I am interested in how that is progressing.

**Johan Verbeke:** Starting at the end, on the talk about the break-up of the state, I say in all openness and frankness and with a certain degree of assurance that that is simply not an option. The reason why it is not an option is that the population does not want it. Recent polls indicated clearly that, even in the Flemish part, which is the part that is closer to the possibility of having the country break up, I think that 80 per cent of the population said that that is not an option and not what they are after.

So that is out. However, we have to find a Government for our country, although, that being said, there is always a Government. It is a false proposition to say that Belgium is without a Government. Each country always has a Government. Although we have a caretaking Government, we have a rather open interpretation of what "caretaking" means. We take decisions that another Government would not take. For instance, here in the UK, the caretaking Government was extremely prudential and cautious, but we continue to take decisions, including on issues such as sending servicemen to Afghanistan.

The problem in Belgium is that two parties won the elections. In Flanders, it was a party that strives for more competences—more devolution, in your language—for Flanders. In Wallonia, it was a traditional social democratic party, the Parti Socialiste. The problem is at the same time a good thing and I will explain why. In the Flemish part, we have a party that wants more powers for the regions and that has a socioeconomic agenda that is more to the right than to the left, if I may say so. In Wallonia, we have the converse—a traditional party that is for the political unity of the country and that, socioeconomically, tends rather to the left. Therefore, the gap to bridge could not be wider.

That is the challenge. The good thing is that if that gap is somehow bridged, we will have stability for years to come, because everything that is between the two extreme positions can of course be accommodated within that overall compromise that will have to be found. However, there is no

alternative to finding a Government. Going back for elections is not an option because it would simply lead to a repeat of the results.

As you know, Belgium is a country of compromises. We are a country in which every problem throughout our history has been solved through conversation, dialogue and negotiation. We even have a prominent political scientist in Louvain who has captured the essence of Belgian political culture in a book on “de overlegcultuur”, which means the culture of deliberation. It is in our genes. It will take time, because difficult dialogues and conversations take time, but we will solve the issue. In our history, never a shot has been fired, across any border, linguistic or other. In these times, that certainly will not happen. We will find a solution through dialogue.

**Patricia Ferguson:** Constitutionally, you do not have a timeframe within which the Government has to be formed.

**Johan Verbeke:** No, we do not.

**Patricia Ferguson:** That is interesting. You will know that in Scotland we have a set timeframe within which a Government must be formed.

**Johan Verbeke:** What if that does not happen?

**Patricia Ferguson:** If not, the next biggest party gets the chance to try and do that, but that has never happened, so fingers crossed.

We wish you all the best with your deliberations.

**Johan Verbeke:** Thank you.

**The Convener:** That was very interesting. I thank His Excellency and Mr De Proost for taking the time to give evidence to the committee. On behalf of the committee, I wish Belgium all the very best for the rest of your presidency. We hope that it goes well.

I suspend the meeting for a few moments while we change witnesses.

11:41

*Meeting suspended.*

11:44

*On resuming—*

## Scottish Government's European Union Priorities

**The Convener:** The next item is consideration of the Scottish Government's European Union priorities and its response to our Treaty of Lisbon report. I am pleased to welcome the Minister for Culture and External Affairs, Fiona Hyslop, Vanessa Glynn and Ian Campbell. We are running a little bit late, minister, but I understand that you would like to make some opening remarks. Over to you.

**Fiona Hyslop (Minister for Culture and External Affairs):** Thank you for inviting me to address the committee today. I am here to talk about the European action plan annual report, which describes the Scottish Government's engagement with the European Union over the past 12 months.

We have concentrated resources on tracking key EU legislation and developments that will impact on Scotland, engaging with four areas in which Scotland has a strategic interest: energy and climate change; the marine environment; research and creativity; and freedom, security and justice. We have also concentrated resources on raising Scotland's profile in Europe. By reviewing the past year, I can offer an assessment of where progress has been made and areas in which we hope to achieve more. It has also provided a valuable opportunity to gauge the support for our approach from a wide range of stakeholders.

Scotland has demonstrated great potential in international energy and climate change policy. By taking a proactive stance, the Scottish European Green Energy Centre has already led two successful bids for funding to support an offshore wind test centre in Aberdeen and a North Sea offshore grid project off Shetland. The creation of a North Sea grid is pioneering work and a key objective for Scotland. We are also delighted that energy firms Technip and Iberdrola have recently announced jobs and billions of pounds of investment in Scotland's renewable energy industry.

The United Nations climate change conference in December also offered an international platform for Stewart Stevenson and the First Minister to promote Scotland's world-leading energy targets. Scotland's commitment to a low-carbon economy could also bring massive benefits in terms of growth and jobs.

Our second priority area is the marine environment. As you would expect, the Scottish Government has taken a strategic and proactive

approach on marine issues. Scotland is among the largest sea-fishing nations in Europe, with more than 2,000 vessels and more than 5,000 fishermen. Richard Lochhead continues to play a key role in fundamental policy development that impacts greatly on Scotland's fishing and aquaculture industries. More topical at the moment is the sustainability of the north-east Atlantic mackerel stock. We are working closely with the UK, the EU and Norway to secure a diplomatic outcome on that.

In our third priority area—research and creativity—the Scottish Government has focused on practical steps, including a series of events, workshops and conferences, to share best practice with EU partners. It is also worth mentioning that more than £9.3 million of European regional development funding has been awarded to projects in Scotland.

Our fourth priority area is freedom, security and justice. It is still a relatively new field of EU activity, so despite the considerable achievements that are recorded in the annual report, there are many opportunities on the horizon to influence new policies and related practical measures. The Scottish Government will continue its efforts to raise awareness in Scotland of existing and proposed FSJ measures, which include co-hosting a seminar with the Law Society of Scotland in October to mark EU civil justice day.

The range of EU policy and legislative proposals that are being tracked by different policy areas varies depending on the European agenda. We have made significant progress in how the Scottish Government handles Scotland's EU obligations. Our systems have been overhauled to ensure that we can influence legislative developments early and that citizens are not burdened unnecessarily by regulation.

The Scottish Government is committed to promoting Scotland and sharing knowledge and expertise. The First Minister and I meet all ambassadors who visit Scotland, and particular attention has been paid to developing productive contact with each EU presidency. Currently, during the Belgian presidency, Flanders leads in Council on a range of issues of importance to Scotland, including fisheries and the environment. In that regard, we will make the most of the existing strong links between Scotland and Flanders.

On the Lisbon treaty, it is important for the Scottish Government to engage with the Scottish Parliament on EU matters. I welcome the findings of the committee's Lisbon treaty inquiry. We have already taken action on a number of the committee's recommendations, and I have provided the Government's response to the committee. Nevertheless, I will be happy to

expand on that if you have further questions for me today.

We continue to focus on looking for ways in which to demonstrate what Scotland can contribute to Europe. EU engagement is one of the most important international relationships for Scotland, and it provides the context for our future prosperity and for achieving the aims of the economic strategy.

I look forward to discussing all of those matters with the committee.

**The Convener:** Thank you, minister. I will start on a positive note by saying that the action plan is a huge improvement. It is much clearer and provides concrete examples of where we are delivering and where we need to deliver better. In my view, it is much better than the waffle that Mr Russell used to bring to the committee. It is a huge improvement.

Having started on a positive note—

**Fiona Hyslop:** I am not sure that it is that positive.

**Ted Brocklebank:** Does the minister agree with the convener? [*Laughter.*]

**The Convener:** I note the minister's ability to home in on and change things. I bring to her attention some lack of co-ordination of a number of recent events. The minister will be aware that the Commissioner for Agriculture and Rural Development visited Scotland in June. I became aware of the visit only because I met him in Brussels the week before and he told me that he was coming to Edinburgh. The Parliament became involved in the visit only at the last minute.

Equally, I understand that Aberdeenshire Council is hosting a major Conference of Peripheral Maritime Regions event in Aberdeenshire next week involving two European commissioners, one ex-commissioner—Danuta Hübner—and the president of the CPMR, who is also the President of Tuscany, with which we had a co-operation agreement in the past. The event seems to have bypassed the whole Parliament; the committee has had no involvement in or engagement with it.

In the section of the annual report on "Tracking and Influencing EU Legislation and Policies", you say:

"The Scottish Government co-hosted Sub Rosa policy discussions on Europe 2020 in Scotland House".

I am not aware of the committee having been invited to those discussions.

We are making good progress in some areas, but there may be other opportunities. In the annual report and your opening remarks, you identified

clearly the importance of Scotland's role in Europe. The committee wants to work in partnership with you on that. Do you have initial thoughts on how we could co-ordinate matters better?

**Fiona Hyslop:** Thank you for complimenting us on the action plan. Focusing on the key issues on which we seek outcomes will allow people to focus resources better across Scotland. That is the feedback that we have received from stakeholders when we have presented the action plan to them.

You are right to say that we must ensure that we have a joined-up approach across Scotland and argue our case collectively. You referred to visits by commissioners. A number of our meetings with commissioners are in Brussels. I will be in Brussels next week to meet a number of commissioners. Roseanna Cunningham will also be involved in visits. Today, I found out that Mr Stevenson will have the opportunity to meet the Commissioner for Regional Policy, Commissioner Hahn, at the event to which you referred.

We should ask the European Commission and the European Union to find a way of ensuring that the Parliament is informed when they are planning visits to Scotland. Some of those visits are at the invitation of the Scottish Government, but some are not. For example, Aberdeenshire Council has rightly identified an opportunity for itself; universities may also be interested in inviting commissioners. Visits are not always channelled through the Scottish Government.

I suggest that, collectively, we ask the European Union to find a mechanism for informing the Parliament of any incoming visits by commissioners. That would be a helpful way of maximising opportunities. As a safety-net precaution, where we have intelligence of who is coming, we are happy to share that with the committee. However, we should not anticipate that all visits will be at the invitation of the Scottish Government. Understandably, councils and other bodies in Scotland have their own bilateral engagements.

I understand that the Parliament was invited to the sub rosa meeting to which the convener referred. Ian Campbell will provide details.

**Ian Campbell (Scottish Government Culture, External Affairs and Tourism Directorate):** There were no politicians at the event, which was a policy discussion involving Commission officials and academics. The Parliament was given an opportunity to participate but, for whatever reason, it could not get someone to come out on the day in question. An approach was made and an invitation was issued, but it was not possible for anyone to participate.

**The Convener:** You will be aware that we took evidence and produced a report on EU 2020, so we would have liked to have had an opportunity to highlight that via some mechanism. I wonder whether the next meeting of the European elected members information liaison and exchange—EMILE—network presents an opportunity to raise the issue.

I presume that the Convention of Scottish Local Authorities would have been aware of the Aberdeenshire visit. I take your point, but the president of the Committee of the Regions, Mercedes Bresso, is also going to Aberdeenshire next week. I just think that it is a missed opportunity when the president of the Committee of the Regions, which is involved in advancing the regional case, visits Scotland and misses the chance to come to Edinburgh. To be honest, if I had known about the visit a few weeks ago, the committee would certainly have taken the initiative. We have somehow got to get better at joining things up, whether that is by involving COSLA or writing to the European institutions. We have missed too many opportunities in recent months.

**Fiona Hyslop:** The Scottish Government has not missed the opportunities that we have had to meet, and we will continue to maximise them. Obviously, I cannot speak on behalf of the European and External Relations Committee or the Parliament, and I cannot speak for the Committee of the Regions. I know that you are a member of that committee, convener, so you are probably more in touch with its activities than the Government is.

It is a good idea to identify the issue with our partners on EMILE, which brings together all the different players including the committee, the Parliament, COSLA and others. Indeed, I had a useful meeting with the Scottish Trades Union Congress, which is interested in taking part in EMILE meetings. EMILE should be a focus to ensure that we all know what is happening. I have asked EMILE members to identify between meetings correspondence that contains updates, and some of that should be flagging up some of the opportunities that are coming up. I have also asked our European officials to provide a better and clearer focus on the update that we get from Brussels to identify what has happened but also what is coming up, although, clearly, that is focused on the Scottish Government's objectives.

You are right to say that the responsibility in the area is collective. It is not just the Scottish Government's job to co-ordinate things. There is a key role for the Parliament. You might want to approach the European Parliament and European Union representatives in Edinburgh to ensure that they exchange their intelligence with you as well.



**The Convener:** One of the people who will visit next week is the President of Tuscany. In the past, the Scottish Executive had a co-operation agreement with Tuscany. Is that agreement still current? Are there any plans to review it, given that the President will be here? I am aware of the benefits that have arisen from such agreements. For example, schoolchildren from my area visited an art college in Pisa as a result of the agreement. It is important to be clear about the objectives of co-operation agreements, but I would not want to throw out the baby with the bath water. I do not know whether the minister is able to say something about that. She mentions a business-oriented approach in the annual report, but education is also important. Does the minister have any comments to make on bilateral agreements?

**Fiona Hyslop:** One benefit of having a more focused action plan is that we can deliver strongly on the objectives that we are trying to establish. We have had progress on a number of bilateral discussions and bilateral meetings. Indeed, as you know, the First Minister was in the Basque Country only last week. He visited Norway recently to pursue common interests and he also visited Paris and Frankfurt to discuss financial issues. All those meetings were very much focused on the action plan and the key areas that we want to develop.

However, that does not preclude development in specific portfolio areas such as education. We are not pursuing as many bilateral co-operation agreements with regions such as Tuscany, but that does not prevent co-operation from taking place in particular areas such as art or education. Indeed, there is a good opportunity to discuss with COSLA where those linkages can be developed, particularly in relation to education. A focus on EMILE might be appropriate in asking all parts of Scotland to step up to the mark. The Scottish Government is tightly focused on our objectives and outcomes as set out in the action plan, but that does not preclude other agreements on more localised identity between different countries. Education is a good example of that.

**The Convener:** I think that our uptake in education is not as high as it is in many other regions. We might want to look at that or put it on a future agenda for EMILE.

**Fiona Hyslop:** Yes.

12:00

**Sandra White:** I want first to make a point of information. At, I think, the last meeting that we had on co-operation among COSLA, councils, the Government and this committee, some of the councils made it clear that they were not too keen

on having a one-stop shop. Some of the councils said that they would like to work with Europe on their own, while others said that they wanted to work together. We have to keep that in mind. Although I think that we should look at a one-stop shop, we have to respect the councils' opinions so that we work in co-operation and do not tell them what to do. I wanted to point that out for information.

We have just heard from the Belgian ambassador and a representative of the Flemish Government. They obviously have a different set-up for Europe, and it was interesting to hear about the Belgian representation in the EU and how the Flemish Government sits in at meetings of the fisheries council, for example. The minister may have explained this in her opening remarks, but will she tell the committee about the Scottish Government's relationship with the new UK Government on EU matters? Will she also say what links the Scottish Government has with the UK Government in London and the UK representatives in Brussels specifically in relation to UK policy in the EU, which obviously has implications for Scotland?

**Fiona Hyslop:** I will say something on the first point about how we work with councils. Following this meeting, I am meeting the COSLA presidency to discuss EU priorities. Part of that is to identify ways in which the Government can work with COSLA on strategic issues. As you identified, if we end up having centralised control of who has what relationships within Europe, we will probably stifle relationships rather than let them flourish. A great deal of positive activity happens in different council areas, and I will ensure that COSLA is aware of the committee's interest.

On working with Belgium and the current UK Government, we have had one joint ministerial committee on Europe, on which I have given an indication report to this committee. The next one is due in October. Clearly, the next focus of attention will be on the budget, which is where we have to have an understanding of the UK priorities so that we can both inform them and identify whether the interests of Scotland are being best represented. That has been difficult in the past, although the previous UK Government indicated that it would be willing to share its strategic thinking on the budget. I am hopeful that the UK coalition Government will do likewise. I cannot speak for it, but we will continue to press for it to do that. Obviously, those discussions have to be in confidence in order for us to ensure that Scotland's interests are promoted, but we are hopeful that the relationship will be positive. David Lidington, one of the ministers, will be in Scotland shortly, and I will meet him to identify with the UK Government some of our priorities for European activity.

**The Convener:** Jim, did you want to ask about this area?

**Jim Hume:** Yes, briefly. I see that Stewart Stevenson has been working closely with the Secretary of State for Energy and Climate Change, Chris Huhne. I am interested in your view of how such relationships are building, what the differences are from what you saw before the Westminster election in May, and the particular areas in which the Scottish Government would like to work more with the UK Government.

**Fiona Hyslop:** The relationship between Stewart Stevenson and Chris Huhne has been one of the successes of the relationship with the new UK Government. It has been far more positive on the role and responsibility that Scotland can take in ensuring that some of our world-leading activity can be shared on a wider stage.

It is interesting to reflect on the Belgian presidency and the use of the expertise of both the Flemish and Flanders Governments in co-operation and in representing Belgium's interest in certain areas in Europe. Chris Huhne has identified that positive example, knowing that Scotland has world-leading experience to share, and has used it to best effect. We would like other UK ministers to follow that example.

**Mr Frank McAveety (Glasgow Shettleston) (Lab):** I want to clarify something that I did not pick up accurately. You mentioned a distinction between bilateral agreements and educational and cultural engagement. How many bilaterals do you have with European nations or regions?

**Fiona Hyslop:** Before I respond, I will ask Vanessa Glynn to give you the technical detail.

**Vanessa Glynn (Scottish Government Culture, External Affairs and Tourism Directorate):** This Administration has a formal, written agreement with Catalonia and said in a recent press announcement that work would be undertaken to consider an agreement or memorandum of understanding with the Basque Country.

**Fiona Hyslop:** As far as bilaterals are concerned, we tend to pursue the action plan on European engagement, which contains key outcomes on research and development, energy and, in particular, fisheries, so the bilateral discussions that we have had with other European Governments have focused primarily on the agenda items that are outlined in the action plan.

For example, in our relations with Norway, energy and fishing interests are obviously key. Our finance interests are pursued in relation to Frankfurt. When the First Minister was in Paris, he pursued energy issues in his discussions with the French Government. We are being quite focused

in our activity in our bilateral discussions. We tend to pursue issues with a view to getting results and coming to co-operation agreements that would enable other activity. The committee might want to take a view on that.

When it comes to education, because we do not have a centralised education system, the process is run by local authorities. The correct arrangements should be between local authorities and their counterparts in other countries.

**Mr McAveety:** Are any bilaterals that the previous Scottish Government undertook still continuing as part of the current programme, or are we just talking about the two that Vanessa Glynn mentioned?

**Fiona Hyslop:** You are asking about a time before I came into office. I can follow that up. It is not necessarily the case that everything was left lying when the new Government came in; it is just that we probably have a different focus.

**Mr McAveety:** I might have missed this, but what were the unique characteristics of Catalonia and the Basque Country that made them more attractive to the Scottish Government as models for bilateral arrangements than other parts of Europe?

**Fiona Hyslop:** In relation to the development of the Commonwealth games, for example, it is important to learn from the experience of other parts of the world. Barcelona has experience in other, key areas, such as energy and financial services. We look for tactical opportunities that, for different reasons, would help us to pursue our interests. That is a good example of how Scotland can learn from other countries whose key strategic economic interests align with ours in particular areas.

**Mr McAveety:** I am intrigued by the fact that both bilaterals are with autonomous regions in Spain. In case I am missing something, is there any compelling logic to that?

**Fiona Hyslop:** I explained the connection in energy and finance. The benefits of the relationship with the Basque Country were well articulated by the First Minister last week. Given that we are talking about £3 billion-worth of investment in energy and renewable energy infrastructure, that is a fantastic opportunity for Scotland.

**Mr McAveety:** Have you thought about agreements with any German cities or regions?

**Fiona Hyslop:** There have been discussions with German areas. Again, this is an area in which I might need to reflect on the work of previous holders of my portfolio, two of whom are on the committee. Over the piece, a number of ministers

have had responsibility for external affairs and Europe.

Some of the activity with Germany is still going on. For example, there are very strong connections with Bavaria on planning issues. I am not saying that no activity is going on with areas other than Catalonia and the Basque Country, but if you are asking about political and ministerial connections, those are the ones that I am more familiar with, as someone who has been in post for less than a year. In the context of activity on some of the planning reforms that have taken place, I know of and have actively encouraged the strong connections that a number of officials have with German states, particularly Bavaria. We are continuing to pursue such work, but I am focused on ministerial and political responsibilities.

**The Convener:** It might be helpful for the committee to have a brief report outlining what has happened with previous co-operation agreements, what is happening in relation to Catalonia and the Basque Country, and what is happening in the other cases that you have referred to, in which there are relations but not co-operation agreements. I am aware, for example, of Sachsen-Anhalt's long-standing interest in the Scottish Parliament, and I know that a joint discussion took place on common issues such as the decontamination of land in former industrial areas. I know that Sachsen-Anhalt is keen to progress matters, and I believe that we had a visit from its representatives—the second this year—last week.

It might be helpful to have a report on the various bilaterals and what stage they are at. Would that be possible?

**Fiona Hyslop:** I am happy to do that. You have given a very good example, as the agreements tend to involve specific issues on which we have something to offer or to learn. That is how we have tried to approach our relationships with regard to the action plan. The approach tends to be driven by related issues rather than geographical representation; we discuss issue-based concerns to benefit the people of Scotland.

**The Convener:** It is clear that the business-oriented approach to which the annual report refers covers some of those areas in which there are common interests. It would be good to have a grid that outlines the various relationships at present.

**Fiona Hyslop:** That is fine—I can do that.

**Jamie Hepburn:** Turning back to relations with the UK Government, everything that is done in relation to the European Union is now done in the context of the Treaty of Lisbon, which sets out the so-called subsidiarity principles. The committee has considered the Treaty of Lisbon in some detail, and at an event last year or the year before

we were told clearly that no European commissioner and no apparatus of the EU has the power to compel any of its member states to have an appropriate mechanism for adhering to subsidiarity principles. That indicates that although there is a greater role for sub-state actors in the EU, the power still remains with the member state—which you might want to reflect on, minister. It is perhaps too early to answer this, but are you satisfied that the UK has in place sufficient arrangements to deal with subsidiarity?

**Fiona Hyslop:** Your analysis is certainly correct. It is important—as I have said repeatedly in this committee and in the chamber—that there are such arrangements, and I am pleased that there now seems to be a common understanding of the route that we could take in developing that process. However, it is currently the Westminster Parliament's role, working with the Scottish Parliament, to produce the mechanisms for adhering to subsidiarity. We have our own mechanisms to allow us to identify and flag up issues with regard to possible breaches of subsidiarity; the overhaul of our systems to which I referred earlier will ensure that we can do that.

At the previous European and External Relations Committee meeting that I attended, I reported that we were carrying out a monitoring exercise to identify whether or not the UK Government was flagging up explanatory memoranda to us. That was a very useful exercise, and we shared it with the committee. It gave us the opportunity to go back to our colleagues in Whitehall and tell them that while certain departments were good at identifying where there might be issues, others were not so good. That process was educational for them and helped us to ensure that they are aware of our needs.

We have moved on considerably since I last came to the committee in terms of the suggestions for what we do internally; the proof will be what comes through from that. We still need to resolve certain issues with the Westminster Parliament and it needs to agree its part in the process, but we have been active in making suggestions while knowing the limits of our responsibility and ensuring that we do not tread on the toes of the Scottish Parliament.

We have put in place everything that we can to give Whitehall officials a better opportunity to identify areas that we might need to consider, but it is up to the Parliaments to agree on what the process should be. We have given you the full chart of suggestions for how we might progress that, and we stand ready to do so.

12:15

**The Convener:** Article 6 of the protocol on the application of the principles of subsidiarity and proportionality states:

"It will be for each national Parliament or each chamber of a national Parliament to consult, where appropriate, regional parliaments with legislative powers."

I agree with the minister that we are not sure exactly what "where appropriate" would mean. In the discussions that I have had with the chairs of the relevant House of Lords and House of Commons committees, there has been an openness and willingness to work in partnership with the Scottish Parliament. We have been working on that basis with the Government and other stakeholders. We have been trying to work well, and we have moved on considerably.

We welcome the analysis that you undertook on the explanatory memorandums. Perhaps you can say something about what information the Government would provide to the Parliament in the EMs. Have you taken things to that stage yet?

**Vanessa Glynn:** The EM is a Whitehall document that is designed principally to inform the Westminster committees. Our role is to feed in from a Scottish Government perspective on any issues that might impact on devolved responsibilities. It is important for us to be able to take a position on whether we believe that there has been any breach of subsidiarity. Whitehall departments will also wish to flag that up.

The EM is the first cut at an analysis of any EU document. Given the timelines on which EMs work, they cannot be expected to be totally comprehensive. An EM triggers further consideration and discussion between Scottish Government and Whitehall departments, where appropriate.

**Fiona Hyslop:** In getting to a state of readiness, it might be helpful to get a draft in one or two cases where we know that subsidiarity might be breached, so that the committee can see what that looks like. If you are in discussions with the Westminster Parliament, we should set up a system for doing some dry runs, to ensure that everybody understands how the process works and to ensure that it does work. That would give you an example, either of there not being a breach of subsidiarity or of there being a breach. That is something for us to work on collectively.

**The Convener:** The devil is always in the detail with such things. We wonder whether there is a box at the bottom of the EM for the Scottish or devolved perspective. Those are perhaps things that we have yet to work out.

**Vanessa Glynn:** There is, in fact.

**The Convener:** I am speaking to the Conveners Group this week about the general principles. The whole Parliament needs to sign up to this, not just the EERC. We seek to work with the subject committees and get them involved. They will have a role at a later stage in looking at the EMs in relation to their respective subject areas. It is a work in progress, but it is helpful to have you here to consider with us how to flesh out the details.

**Fiona Hyslop:** We can try to use a traffic-lights system to identify things. That would be quite useful. Because of the volume of what we have to deal with, we have to identify the key areas of concern.

It is not just the Parliament and the Government that have an interest. A number of organisations including the Convention of Scottish Local Authorities and the Scottish Trades Union Congress would also like early warning, not just on subsidiarity issues but on other areas of concern. You have reflected on how we might co-ordinate better as a country, and we must also think about how we can work with other groups with key interests. I am actively considering that.

**The Convener:** I will meet representatives of COSLA today.

**Patricia Ferguson:** Mr Campbell might like to cover his ears for this question. Given the current financial situation, is there likely to be any reduction in the budget for the Scottish Government's European office?

**Fiona Hyslop:** As regards the opportunities and benefits relating to economic recovery, it is key for any decisions that the Government takes relating to all of the budget—we have not made statements regarding what that budget will be, as we are waiting for the comprehensive spending review later in October—to focus on opportunities to get resources into areas that need support for economic recovery and regeneration, for example in jobs, training, skills, investment, infrastructure and renewable energy. We need to support areas where benefits can be provided. That is what our Brussels operation does. That does not mean that I am handing out a blank cheque or giving any guarantees; I am saying that, given the criteria on which the budget will be based, we will have to focus on economic benefits, and I will argue that our European operations provide clear economic benefits to Scotland.

**Patricia Ferguson:** Perhaps that is something for the committee—and our colleagues in Europe—to watch.

**Ted Brocklebank:** Common fisheries policy reform is an issue that the Belgian presidency is dealing with and is, obviously, an issue in which your Government is interested. You have already mentioned Richard Lochhead's role, but are you

able to say anything about how the new Administration is taking into account his knowledge and experience in our attempts to work out a UK position on CFP reform?

**Fiona Hyslop:** Obviously, Richard Lochhead and his officials have put a lot of work into their discussions with the relevant commissioner. Those discussions will continue and, in October, there will be further work on developing the CFP.

As page 13 of the action plan makes clear, Mr Lochhead chaired the Scottish fisheries council in Edinburgh, which considered CFP reform. Moreover, during the European seafood exposition, he co-hosted a panel debate at the European Parliament on fisheries management reform. We are also providing a lead role in a number of areas and I understand that we are looking at holding in Scotland a major aquaculture conference in 2011 to pursue our interests.

However, in the short term, Mr Lochhead's major consideration will be CFP issues, and he is extremely vigilant and active in pursuing Scotland's interests in that respect. He will have his relationship with the relevant UK fisheries minister; I cannot comment on that, because that relationship is a matter for him, but I can say that in Europe we have been very active indeed on those matters. I understand that we are supporting European moves to negotiate fair fishing quotas for sustainability and in his meeting with Commissioner Damanaki in October he will seek to add momentum to that process. Finally, in October, he will host an international workshop with ministers from the North Sea states to share and develop our thinking on these matters and to inform developments in fisheries policy reform.

**Ted Brocklebank:** Given all that, how disappointed are you to find that, according to official figures that were published last week, there have never been so few vessels fishing out of Scotland or so few fishery jobs in the country?

**Fiona Hyslop:** There are concerns about the fishing industry, but we have never had such an active fisheries minister arguing our case in Europe and with the UK Government. Of course, it would be far more beneficial to have direct representation, but we are working—and will continue to work—with our UK counterparts to try to ensure that Scotland's interests are pursued. The work is very difficult and challenging; there are always opportunities but, yes—there will always be difficulties. That is why the work that Richard Lochhead is carrying out and the meetings that he is having with the new commissioner to take forward Scotland's interests are more vital than ever.

**The Convener:** We would welcome clarification of a number of points in your response, minister.

Helpfully, you say that you are willing to indicate to the committee what was discussed at the joint ministerial committee on Europe. However, in your response, you say that you are

"keen to support greater openness"

but that

"Further arrangements for developing parliamentary scrutiny ... need to be discussed and agreed by all ... administrations".

Is that issue on the agenda of the next meeting of the JMCE and do you feel positive about the other administrations' contribution to greater openness?

**Fiona Hyslop:** The Government has pursued the revitalisation of the JMCE process, which had fallen into abeyance as a result of circumstances outwith our control, particularly in relation to certain arrangements and agreements with the Northern Ireland Administration. I am very pleased that all the Administrations are now actively involved with the JMCE.

Our understanding is that the Deputy Prime Minister will chair the JMC domestic and that William Hague will chair as many of the JMCEs as he can. We are currently just establishing our relationship with the new UK Government in respect of how it will treat the JMCs.

On how there can be parliamentary scrutiny, it is clearly not only about ourselves; it is also about Westminster and the Welsh and Northern Irish Administrations. We cannot pre-emptively do something that would cause them any difficulty, so you will appreciate that there is a bit of a diplomatic space in which we have to allow opportunities for frank discussion, but we must also ensure that the relevant ministers are directly accountable to their relevant Administrations.

My understanding is that how ministers who are involved in discussions at JMCs have accountability to their respective Administrations, Assemblies and Parliaments will be discussed by the JMC domestic, which basically takes an overview of how the JMCs generally are being run. I cannot speak for the Deputy Prime Minister in respect of how he envisages taking that forward, but that is the right place to look at such accountability. In respect of bedding down with the new Administration, there has to be an opportunity for frank discussion. If we are to have a meaningful dialogue, some of the discussion can be reported and some of it perhaps cannot. That is what we will have to discuss with our UK counterparts in our forthcoming meetings.

**The Convener:** Is the Scottish Government able to table agenda items for JMC meetings and JMCE meetings?

**Fiona Hyslop:** Yes, but what we have tried to do in the past—I have attended only a few of

those meetings as minister—is anticipate matters in which there are common interests. If there are bilateral issues, it is clearly important that they are pursued bilaterally between Governments—from the Welsh Assembly Government to the UK Government and so on.

The agenda items have to be issues that are of common interest to different Administrations. For example, the skills agenda was discussed at the JMC, because clearly some aspects of that are common to everybody. There has to be a balance between trying to ensure that Scottish interests are pursued individually and recognising that we are part of a joint ministerial committee, where the emphasis is on “joint”, so the focus must be on issues that impact on, and are of import to, the Northern Irish and the Welsh as well as the UK Governments.

**The Convener:** I imagine that parliamentary scrutiny is of interest to everyone. I am trying to find out whether it is on the agenda of the next meeting. You have said that it is a matter for the JMC domestic, but is it on the agenda?

**Fiona Hyslop:** A date has not yet been set for the JMC domestic, so I cannot answer your question about what is on the agenda.

**The Convener:** So you do not feel that it is appropriate to raise the issue at the JMCE.

**Fiona Hyslop:** There is the annual JMC plenary, which the Prime Minister would ordinarily chair. There is the JMC domestic, which deals with everything that is neither financial nor European, although financial issues can be discussed at JMC domestic.

To be fair, there is a new UK Government, which is establishing its way of working and how it wants to relate to the JMC. I do not want to speak for it in respect of agenda items that it would want to bring forward, but I anticipate that, if we have revitalised the JMC—which we have done—we will need to work out a system through which we can establish accountability. I will update the committee as soon as I have information on the matter, but I am not in a position to speak for the Deputy Prime Minister on how he intends to drive that forward in his capacity as chair of the JMC domestic.

**The Convener:** From a committee perspective, we just want to be sure that the matter will not slide off the agenda, because we have been trying for some time to get in place a process that would allow us properly to scrutinise this work.

**Fiona Hyslop:** I have gone some way towards ensuring that some of your interests are accounted for.

**The Convener:** We await progress on that with interest.

We would welcome some clarification on one other point, in relation to the Treaty of Lisbon. You have already spoken about engaging with other stakeholders. Has progress been made in implementing various measures, for example, with regard to developing procedures for engaging in and monitoring the operation of opt-in, and the development of guidance and training on the implications of the treaty, especially for non-departmental public bodies and other agencies? Can you write to us if you cannot update us today?

**Fiona Hyslop:** In relation to the Lisbon treaty, the expansion of competences, for example, is an area that the committee has expressed an interest in. A number of public bodies obviously have a new opportunity to engage and set out their issues. VisitScotland is an example from tourism, but I am keen that the creative industries also have a strong identity and agenda of opportunities. That is one of the matters that I will pursue when I am in Brussels next week. We will certainly encourage different agencies to take the opportunities that are available to them.

I missed the first part of the question.

12:30

**The Convener:** We were interested in whether the Government is working on the procedures for opt-in and training of NDPBs.

**Vanessa Glynn:** Yes. We will offer training to NDPBs and agencies along the lines that the minister mentioned.

The mechanisms for opt-in already exist. It is a case of reinforcing and thickening what already goes on in the day-to-day contacts that take place between the Scottish Government's justice officials and the Ministry of Justice and Home Office, which are responsible for the opt-in areas in criminal and civil justice.

If you would like more details of that, we can certainly get them for you. The Justice Committee is provided with regular updates that are, I believe, copied to this committee, but we can certainly ensure that you get an urgent update if that would be useful.

**Fiona Hyslop:** Committee members have previously asked what the Lisbon treaty's implications are on freedom, security and justice. As I have explained previously, that is one of the policy areas in which co-operation is stronger and the process is in place. However, the range has now been extended with the opt-in, so it is important to pursue that. If the question is whether we are on the case, the answer is yes. We can provide more details in written form.

**The Convener:** As colleagues have no other questions, I thank the minister for attending. It has

been a useful discussion. We had to truncate it a little bit because we were running late from earlier. If we have any other outstanding matters that we have not covered, we will write to the minister.

## “Brussels Bulletin”

12:32

**The Convener:** We move on to item 4, which is our regular “Brussels Bulletin”. Do colleagues want to raise anything? We are running short of time. I ask Ian Duncan whether he wants to draw anything to our attention. You do not have to go through the whole thing.

**Ian Duncan (Scottish Parliament European Officer):** I draw to the committee’s attention the new parliamentary committee to deal with the multi-annual financial framework. Before it was set up, the clerks sent off the work that has been done by this committee to the proto-committee, so it is already with that body. I will try to set up a meeting over the next week or so to try to establish how we can participate further, because we will do a series of hearings and other elements of an inquiry into which the committee may be able to fit. That is one to watch.

A lot of the broader work is now about thinking on the budget. One such area will be cohesion funding. It is interesting that four commissioners have written a letter that talks about trying to co-ordinate the overall strategy for cohesion funding. The meeting in Aberdeenshire that involves all the key players, which was mentioned earlier, may reveal something because one of the topics of the meeting is the future of cohesion funds. Something may emerge from that meeting that would be of value in guiding this committee on its thoughts on that policy area.

**Sandra White:** You mentioned finance. On page 2, the bulletin mentions the introduction of

“a system of ‘EU project bonds’ to finance major projects of economic interest”.

Could we have a look at that?

**Ian Duncan:** Yes, I can provide you with more information. The basic concept is to see whether the EU can create a financial product that can be used to fund particular aspects of bigger operations.

**Sandra White:** So, it is not under joint European resources for micro to medium-sized enterprises.

**Ian Duncan:** No, it is entirely different.

**Sandra White:** On page 3, the bulletin mentions “the need to begin discussions on a ‘European tax’.”

**Ian Duncan:** Yes. Note that the things on page 3 are more of a wish list than a statement of what will happen. As members can see, each of the political leaders who are mentioned there has quite different wishes; whether they ever move

beyond the wish stage remains to be seen. There is discussion on tax but, as you will appreciate, it is not popular among the member state Governments.

**Patricia Ferguson:** I wanted to ask about the bonds, so it is helpful that Sandra White has already asked about that—there is obviously some interest in that in the committee.

I also wanted to double check that other committees also get the “Brussels Bulletin”. I am conscious that the Health and Sport Committee might not be used to considering what the bulletin contains with regard to sport, because it is relatively new on the agenda. Is it worth flagging up to that committee that this edition contains a specific element on sport?

**The Convener:** We have undertaken that action previously, and we have also talked about drawing to the attention of the cross-party group on sport the information that the bulletin contains about the new competencies and so on.

**Ian Duncan:** There is a lot more on sport, and that will grow, because it is populist, popular and there will be more money in it.

**Jamie Hepburn:** Ian Duncan gave us a summary of what is happening in Belgium. It is interesting that page 8 of the bulletin shows that the Minister of Social Affairs and Public Health in Belgium takes a different view to that of the Belgian ambassador on the future of the Belgian state. Could Ian give us his perspective on the matter, given that he is on the ground and we are not?

**Ian Duncan:** As you might imagine, there is a lot of commentary of all persuasions in Brussels. There is generally a sense that the situation cannot go on and that there has to come a point when Belgium has a Government for longer than 14 or 15 months. At the moment, the situation is half and half between having a fully legitimate Government and having a caretaker Government. Although it is true that the Government continues, a lot of the political leadership does not. It cannot, because people are caught up in other issues and cannot work on the issues that they want to make progress on.

At the moment, there is certainly a lot of frustration, particularly around Brussels, which is the buckle in the belt that holds Belgium together. A lot of people want to get that situation resolved. Brussels cannot fund itself, although it is a devolved entity. It does not have enough money. It is a Francophonic area that is, broadly speaking, surrounded by Dutch or Flemish-speaking areas. There are three French-speaking districts to the south that are technically in Flanders. The tension is palpable. There are issues around bilingual police, and whether a Flemish speaking officer

would answer a question that was asked in French, for example. A host of serious issues are arising.

I suspect that inertia will keep the country together, because it would be a difficult task to arrange for it not to be together. However, at the moment, there is far more tension than there has been in the past.

**The Convener:** Page 8 also mentions the globalisation adjustment fund. I was the rapporteur on the Committee of the Regions on that, and I think that it is incredibly disappointing that the fund has paid out only €149 million. We argued strongly for the €2 billion budget for the fund, but I see that applications have totalled only €373 million. That is amazing, because the fund was set up to help redundant workers. If there was ever a time for making applications in that regard, this is it.

The problem might be that, initially, the threshold was set too high, at 1,000 workers. However, I understand that that was reduced to 500. I wonder whether Scotland might have been able to apply to the fund in relation to what has been happening in the financial sector.

It might be that I need to pursue the issue via other avenues, but I thought that I would raise it today, as it is featured in the bulletin.

**Ian Duncan:** You might remember that a previous bulletin pointed out that it was not only redundancies within one company but redundancies within one sector in a given region that would contribute to meeting the threshold for assistance. The Commission's report on the fund is damning. Basically, it says that the initiative, which was designed for a specific purpose, is not working. The commissioner and the European Parliament are keen to ensure that the money that should be helping people to retrain, retool and relocate functions properly.

**Sandra White:** Page 8 of the bulletin talks about 2012 being the European year for active ageing. Has money been set aside for that? Do Governments have to apply for that?

**Ted Brocklebank:** Do you have a personal interest?

**Sandra White:** I am the convener of the cross-party group on older people, age and ageing.

**Ian Duncan:** You might be aware that the EU gives a title to each year. It puts aside a certain amount of money in connection with that, although not as much as you might hope. The idea is that it encourages member states to put aside co-funding for various projects, which are more to do with awareness raising than with detailed policy or legislative work.



The year for active ageing will be interesting because it fits into the demographic issue, which, as you know, is a ticking time bomb in the EU.

**Sandra White:** I will write to the Government to ask whether it is applying for funds.

**The Convener:** Do we agree to note the report and forward it to the relevant committees?

**Members** *indicated agreement.*

**The Convener:** The clerk has just reminded me that there is a special committee on the EU budget, to which the report refers. I am sure that members would agree to our tracking that. We have already sent a copy of our EU budget report to it. Do we agree to track that committee?

**Members** *indicated agreement.*

## International Engagement Inquiry

12:41

**The Convener:** Item 5 concerns our international engagement inquiry and the Brussels visit. We do not have to discuss this in detail, but I think that there are some problems with dates in the indicative programme. We can discuss that a little bit later; at the moment, I am just asking whether the areas that are outlined in the paper are the kinds of areas that we would want to cover during our visit.

**Jamie Hepburn:** Yes, they are—although given much of what we have heard today and other recent announcements, it is interesting that the paper suggests that time constraints mean that we cannot focus on the Basque country during our visit. Perhaps we should reconsider that. We might not be able to, of course.

**The Convener:** Michael Keating is the researcher who has taken on the analysis on international engagement for us. Until he gets back to us with his results, we have left things kind of open. If he tells us that he thinks that it would be reasonable for us to consider that issue, we can look again at the matter. I do not want to prejudge what will be in his report, which is why the programme is a little flexible at the moment.

**Ian Duncan:** Also, I did not want to have members galloping around without time to catch their breath.

**The Convener:** Do we agree to the arrangements as a basis on which Ian Duncan can proceed? We can confirm details and dates later.

**Members** *indicated agreement.*

**The Convener:** I bring the public part of the meeting to a close.

12:43

*Meeting continued in private until 12:47.*



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