



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 7 December 2010

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2011

Applications for reproduction should be made in writing to the Information Policy Team, Office of the Queen's Printer for Scotland, Admail ADM4058, Edinburgh, EH1 1NG, or by email to:
licensing@ogps.gov.uk.

OQPS administers the copyright on behalf of the Scottish Parliamentary Corporate Body.

Printed and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by
RR Donnelley.

Tuesday 7 December 2010

CONTENTS

	Col.
DECISION ON TAKING BUSINESS IN PRIVATE	1823
DRAFT BUDGET SCRUTINY 2011-12	1824
EUROPEAN UNION BILL	1839

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

16th 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)

*Jim Hume (South of Scotland) (LD)

*Bill Kidd (Glasgow) (SNP)

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:

Lisa Bird (Scottish Government Culture, External Affairs and Tourism Directorate)

Fiona Hyslop (Minister For Culture and External Affairs)

Heather Jones (Scottish Government Culture, External Affairs and Tourism Directorate)

CLERK TO THE COMMITTEE

Lynn Tullis

Simon Watkins

LOCATION

Committee Room 3

Scottish Parliament

European and External Relations Committee

Tuesday 7 December 2010

[The Deputy Convener *opened the meeting at 12:32*]

Decision on Taking Business in Private

The Deputy Convener (Sandra White): I was going to say good morning, but it is afternoon now. I welcome the Minister for Culture and External Affairs and thank everyone for making the effort to get in today. It has been quite horrendous, but we have made it. We are not taking evidence from witnesses today, but we have questions for the minister. I have apologies from Frank McAveety, Bill Wilson and Patricia Ferguson.

Our first agenda item is a decision on taking item 5 in private. Is that agreed?

Members *indicated agreement.*

Draft Budget Scrutiny 2011-12

12:33

The Deputy Convener: As I mentioned, we are questioning the minister today. Do you want to make some opening remarks?

The Minister For Culture and External Affairs (Fiona Hyslop): I will do so very briefly. I thank you, deputy convener, and the committee for making every effort to be here so that we can conduct the Parliament's business.

As the committee will be aware, the scale of the total reduction in the Scottish budget has required tough decisions across Government. In the office of the First Minister, the year-on-year cut in cash terms is £16.9 million, or 6.7 per cent, for resource budgets and 27.6 per cent for capital budgets. That reflects the deep cuts in capital budgets in the United Kingdom Government's provision for the Scottish Government.

The total budget for international engagement for the current year, 2010-11, is £16.7 million. For 2011-12 it is £16.1 million, which is a cut of just 3.6 per cent. International development is the largest part of the international engagement budget.

As you know, early on in our Administration we gave a commitment to double the budget over the lifetime of the parliamentary session. That is what we have done. In 2008-09 we doubled the previous Administration's baseline of £3 million to £6 million, and in 2009-10 we increased the international development fund to £9 million. We have been able to maintain that level of funding despite the difficult financial climate. It represents our commitment to help Scotland support others in achieving the United Nations millennium development goals. As part of that, there is a new ring-fenced minimum budget of £3 million for Malawi: members should be aware that that is a minimum figure, not a ceiling.

In previous years we have been able to respond fairly well to various humanitarian disasters, which are of course difficult to plan for, and for which we have no earmarked budget.

In 2011-12 we have a budget of £1.7 million for major events and themed years—the committee is familiar with the themed years—which will be used to build on the success of the year of homecoming and to plan for the next year of homecoming in 2014.

The fresh talent budget of £1.3 million funds the relocation advisory service, which helps people who are trying to find employment. We are also working on an agenda that we will need to fund and which will form part of the international

engagement strategy. I hope that I have given members an overview of the funding that is available for 2011-12.

The Deputy Convener: Thank you. It was remiss of me not to mention your officials: Heather Jones, who is deputy director of the international division, and Lisa Bird, who is head of the international development fund. For the benefit of members of the public who have joined us, I should say that we are taking evidence on the draft budget. I thank the minister for the written evidence that she has supplied.

You said that there is no earmarked budget for the Government's response to crises. In evidence to the committee, witnesses have stressed the benefit of continuing to allocate a proportion of the international development fund for that purpose. Of course you do not know what crises might happen, but do you know what proportion of the fund you expect to use for that purpose?

Fiona Hyslop: We have maintained the budget for the international development fund, and that has been welcomed by charities that are involved in the international development work that we support.

When I came into post at about this time last year, we immediately had to respond to the Haiti earthquake. People throughout Scotland responded extremely well and we tried to identify what we could release from our budget to support the work of charities that could move swiftly into Haiti.

In this financial year, the major catastrophe that we have had to deal with was the floods in Pakistan. Again, we responded extremely quickly. The most recent figure on funding for immediate humanitarian aid and assistance in that context is about £800,000. If we consider that the budget for international development is £9 million, that gives you a sense of the scale of support this year. Of course, the figure varies from year to year. I think that previous Governments provided support for the Gaza strip and Sri Lanka. In a tight budget, we have tried to support charities in their work.

Given that we have a limited budget, if we were to earmark money for a disaster that might not happen we would restrict our ability to do more planned work. However, we want to help when there is a humanitarian disaster. The people of Scotland responded extremely well to the disasters in Haiti and Pakistan and I think that they expect their Governments—at Scotland and United Kingdom level—to show leadership in responding.

I am not sure how wise it would be to earmark an amount, given that it might not be used in a particular year. We have tried to keep a fairly flexible budget so that we can respond and

provide finance. It will be difficult, as it will be for everyone, but we know where our responsibilities lie and we think that there is a moral case for what we do and how we respond.

Bill Kidd (Glasgow) (SNP): Because of the travel conditions, of which we are all aware, I had some difficulty getting here. Anyway, we are here now. I am sorry to say, though, that, because of timings, I will have to leave early, so I wonder whether I can ask the minister a wee question on an issue that might come up later on.

In its draft budget, the Scottish Government has managed to maintain cash-terms funding for international aid and development, but we are still talking about a fairly small amount of money—our £9 million certainly seems like small beer compared with the UK Government's planned international development budget of £11.8 billion over the next four years—and it will need to be targeted. Scotland makes a major contribution to the UK international development budget through taxation, but it is important to know what influence Scotland can bring to bear on UK activity in these areas, how we can relate the money in the Scottish budget and our own programme of activity to whatever programmes the UK is developing, and whether the UK can help the Scottish Parliament to develop its own programmes.

Fiona Hyslop: I might ask Lisa Bird to respond to the questions about relations with the UK Government, but first of all I should say that we need to recognise that we are not an independent state with an independent state's budget, finances and resources. If we were, we would be able to match other independent states' international development funding. It was the cross-party will of the Parliament that its responsibilities should include some element of international development. It was introduced by the previous Labour and Liberal Democrat Administration and it has been continued by our Government.

You are right to say that we must be focused. The danger with a small budget is of trying to do too much. We want to be quite strategic in our areas of work. For example, it is very important that we resource our relationship with Malawi properly with long-term funding. Because we do not want to duplicate anything, we also co-ordinate our work with the Department for International Development, which is very interested in what we are doing. Whereas the DFID has relations with Governments and funds them directly, the stipulation with our international development funding is that it should not be used in that way. All our funding for Malawi, for other countries and, indeed, for the humanitarian aid that went to Pakistan, has gone—and continues to go—through non-governmental organisations with

partners on the ground. That funding constraint has led to what one might call people-to-people, or civic, rather than state-to-state, development in which a number of other countries—including, as the responsible commissioner and various directors-general have told me, the European Union—have become interested. Our model for going about our business is attracting quite a bit of interest.

We have also targeted our work in sub-Saharan Africa. Furthermore, in the light of Scotland's strong relationship with the Indian subcontinent and the support that it has provided to a number of countries, we have just published our south Asia plan, which encompasses the different strands of our work with India, Pakistan and other countries in the region. Despite the need for targeting, we are carrying out innovative work.

Lisa Bird will say something about our relations with the UK Government, particularly the DFID.

12:45

Lisa Bird (Scottish Government Culture, External Affairs and Tourism Directorate): We work closely with the DFID and the Foreign and Commonwealth Office in the UK and in Malawi, where we have a programme of interest. Our discussions cover hearing about those departments' work, the current reviews in the DFID and our priorities. We regularly discuss with the DFID and the FCO the wider objectives, lessons learned and issues that arise for them.

We also discuss projects. As we determine our funding priorities for each funding round, we ask the DFID for its views on some priorities in order to avoid duplication and to find where benefit might arise from working together. We recognise that what we do is different from, but often complementary to, what the DFID does. In some areas, we can do activities in which the DFID cannot become involved, because of the scale at which it works. That relationship has been positive. As I said, we speak regularly to the DFID in determining priorities and thinking about how the work is going.

Another point that is worth highlighting is that we encourage our project grant holders to work closely with the UK Government and to ensure that they are aware of how proposals that they make to us fit. So, our engagement is at the strategic level and the project level, at which we learn lessons from each other and obtain better value for our input by working together closely.

Bill Kidd: What you say about co-operation is extremely interesting. I will ask about further co-operation in Scotland. We have a small amount of money to use, which must be used to best advantage not only for international development

but for international trade. In dealing with other countries, we all know about the contacts that can be made with the Scottish diaspora, which is spread around the world. We also have a different diaspora—that of people who have come to Scotland. How well do we use those communities in Scotland or what plans do we have to use them to help our contacts with other countries, such as India and China?

Fiona Hyslop: We have done exactly that in relation to the south Asia plan, in developing the India plan in the past year and in the Pakistan plan. The Pakistan plan was greatly informed by consultation of organisations and groups in Scotland; Scots Pakistani groups are keen to support such work. Such consultation allows us to have a network of influence in what we can do.

You are right to identify that activity as part of the internationalisation of the Government's work. That covers not just what we do overseas but how we can usefully use what might be called our reverse diaspora in Scotland. How we can mobilise and support people is an increasing part of our international engagement work strand.

I do not underestimate the phenomenal work that is done by civic Scotland through churches, organisations and schools, in Malawi and elsewhere. The Scottish Government undertakes its role and supports much of the work of charities, but it is important to note that much is happening without the Government. That involves help in providing network support, not least for best practice.

Part of the £9 million in funding for international development will help the Network of International Development Organisations in Scotland to improve best practice among not only organisations that are funded directly by the Government but among people who work in their own fields, to ensure that we have support and standards for what we do. We do not want just to do international development work; it is important to do it to a standard. That is part and parcel of how we conduct our business.

Jim Hume (South of Scotland) (LD): You mentioned the India plan. The Government has a China plan and we all know that south-east Asia is important. When we took evidence, it was suggested that the link between the Government's international development plan and the China and India plans could be better and could achieve better value for funding. Do you agree? Are you looking to improve that?

Fiona Hyslop: Just last week we launched our Canada plan, but we also launched the south Asia plan. The point of the latter is to work out how to bring together all the different aspects, which involve not only the individual country plans but

the international development plan and the funding round that we have had this year. The criticism that Jim Hume described might have been right six months ago, but I am not sure that it is right as of last week, or where we are now.

It is important that we provide linkages, particularly when we have to be strategic about what we do. We will be quite focused because we cannot do everything. We are not expected to do everything, but we are trying to ensure that we make an impact in the areas we cover. So, bringing together all the different strands of the India plan and the Pakistan plan under the umbrella of the south Asia plan that we produced last week allows us a bit more co-ordination and coherence. Some of it will be about education, trade and development, but we want to look further, and in that regard we have expertise in energy, climate change and water.

On international connections that we are making through our plans in relation to education, particularly higher education, the First Minister witnessed recently a number of signings of memoranda of understanding in India; there is also work that universities are doing in areas where we have expertise and there is a development need. We are also developing a partnership with some of the best elite researchers and research bases in other countries. India, for example, is a very interesting country whose research strength is outstripping many other countries in terms of university development. India also has real challenges in terms of development needs and some of the humanitarian work that we are doing. However, Jim Hume is correct to suggest that in somewhere like India we have to see things in the round.

Heather Jones is not long back from Delhi; she was supporting the First Minister at the Commonwealth games. She may want to say something about her impressions of India and the connections between some of the industry and education work in relation to development, because I think that that is where Jim Hume is going with his question.

Heather Jones (Scottish Government Culture, External Affairs and Tourism Directorate): I am happy to bring to the committee's attention a project that was supported by Glasgow Caledonian University in which diabetic foot-care devices and clinical expertise for nursing led to a widespread training programme through an Indian collaborative partnership. That matched Indian and Scottish expertise at university and institution level, helped to develop medical and nursing capacity, and met the very significant needs of people who were suffering from disabilities that were caused by their disease. That is a very good example of the way in which

international development goals and international engagement goals are reflected in the Government's strategy.

Jim Hume: You mentioned the south Asia plan, but we have always focused on China and India. Will there still be a focus on China and India with the south Asia plan, or will other countries in what we would call south Asia be included?

Fiona Hyslop: There are developments in relationships beyond China and India. For example, there are continuing developments with Sri Lanka, we are working with the Maldives on climate change issues in particular, and—obviously—we have produced the Pakistan plan as well as the India plan. There is a real focus on some country-specific plans, but we are not restricted to those plans. We have a number of other smaller-scale projects in south Asia, so I suppose that is why it is called the south Asian plan as opposed to our just identifying discrete country plans.

We recognise that the Maldives is one of the countries that will be most quickly and adversely affected by climate change. The important facts are that they want to work with us and we have expertise that we can share with them, which is why we were very pleased to embark on a scoping plan for marine support for the Maldives, which is of considerable interest to the European Union. I recently met the Director General for International Development, who was interested in the work that we are doing with the Maldives. However, the India focus and the Pakistan focus are important and will probably be our main areas for funding, but that does not mean that we preclude anything else.

I know that I am straying off the budget and that this is about the international engagement side, but we are trying to maintain our activity levels and keep a focus within that. We get demands to do more all the time, and it was quite a challenge to maintain our budget. We have increased our international development budget by more than 100 per cent since we came into government, whereas the UK Government is committed to increasing its budget by 47 per cent. You might want to reflect on where Scotland and the UK lie in terms of our commitments in relation to what else is happening in the European Union. It is important that all of us in the British Isles take a moral stand and show leadership. There is a commitment that probably stands us in a strong position compared with what other countries are doing with their budgets.

Ted Brocklebank (Mid Scotland and Fife (Con): Good afternoon, minister. Like Bill Kidd, I have other appointments at about half past 1 and mean no discourtesy to your good self if I have to go.

You will be aware of my long-standing interest in Malawi, our support for which is one of the great crown jewels of the Parliament. In your preamble, you said that the 2010-11 budget for Malawi is ring fenced at £3 million, but I understand that the draft budget for 2011-12 does not explicitly ring fence the £3 million. Is there any reason for that?

Fiona Hyslop: No is probably the answer. Our commitment to Malawi is solid and the commitments that we have produced in the most recent funding rounds commit us to a level of support that will probably take us near the £3 million on-going commitment anyway. The committee might want to recommend that we ring fence the budget; however, we see that sum as a minimum. In the past year we have spent considerably more than £3 million—the figure is about £4.5 million—so we have already overshot the minimum amount that was ring fenced.

Because of our commitment to Malawi and the strength of the support that exists in the Scottish Parliament and because of the longer-term commitments that we have entered into, we expect that sum to be the minimum. It is not a ceiling; in fact, as we have seen in previous years, the amount tends to be higher. We need some flexibility in our budgets because the odd project—for whatever reasons, between the charity and its partners—does not come to fruition and we must be able to switch the resource into something else. I would not read anything into the money's not being ring fenced; we have just not emphasised it in the budget.

Ted Brocklebank: It is an oversight rather than anything sinister.

Fiona Hyslop: I would not say that it is an oversight. It is just not necessary because the commitment exists.

Ted Brocklebank: During the evidence session on 30 November, Professor Kenneth Ross, the chairperson of the Scotland Malawi Partnership, suggested that an even greater proportion of the international development budget should be spent on Malawi. He suggested that about 50 per cent of the £9 million budget—£4.5 million—should go to Malawi. Does that thought commend itself to you?

Fiona Hyslop: Given our level of activity, what we are doing and what our ambitions are, the more we do in Malawi, the less we can do elsewhere. There was a great demand for us to work in sub-Saharan Africa, for example—it was not just Malawi to which we had to respond. There is also a real drive for us to undertake development work with India and Pakistan rather than just pursue trade or education links.

In 2010-11, more than £5 million of our budget was spent on Malawi. Yes, it would be nice to have the money ring fenced in a document, but

that is not necessary. We know that the commitment is there; therefore, we have already achieved what you are asking for, although that might not always be the case. We tend to fund programmes that are on a three-year cycle, and the cycle of programmes in some countries is coming to an end while the cycle of programmes in other countries is starting. Therefore, I ask you to bear with us as we try to maximise a limited budget.

I would hate there to be, at the end of the year, a rush to spend resources from any budget—especially one for development—that have not been pre-programmed for long-term, sustainable activities. That is why there is a bit of flexibility. It is not necessary to ring fence the money.

13:00

Ted Brocklebank: I am very sympathetic to the aspiration of taking the development matrix for Malawi into other sub-Saharan African countries but, at a time of restricted budgets, are we perhaps being a bit too aspirational in talking about Malawi, sub-Saharan Africa, south-east Asia and so on? Should we perhaps draw back a little and say that Malawi is our major commitment, and we will guarantee that, and talk a little less about taking the Malawi plan forward elsewhere?

Fiona Hyslop: More than £3 million is already committed to Malawi for 2011-12, so I do not think that there needs to be a written-in guarantee. I also appeal to you to think about where the needs are and where support can be provided in countries other than Malawi. For example, as part of our south Asia development plan, we had already earmarked about £400,000 to go into development work in Pakistan, much of it in the area of the flood devastation. Had we not provided that funding, it would have been absent at a time of real need. The funding was to support women dealing with disaster, children and rebuilding work, in particular to help small businesses. Eventually, we managed to provide £800,000 in immediate humanitarian aid and another £400,000 for development work. If you said to me, "Don't do that—put that money into Malawi," I would find that extremely difficult, because we know that that development money supported some very hard-pressed communities this year.

We cannot be everywhere and we cannot do everything, but we need to recognise that many people in this country have strong ties and connections with Pakistan, so it was right to provide that money. You are trying to protect the Malawi budget and I am trying to reassure you that not only have we surpassed the 50 per cent figure in previous years but we are already committed to £3 million for 2011-12. Again, it all depends on how the projects come through and where we are

in the process. I think that the balance is right, but obviously the committee can take a view and feed that back to me if it feels that the balance is not right.

Ted Brocklebank: I may come back on that point later, if other members would like in now.

The Deputy Convener: Thank you, Ted. If you want to come back in, I will let you. I know that you have to leave at quarter past.

Ted Brocklebank: About 20 past.

The Deputy Convener: Minister, we have been talking about focus and the impact that work to promote Scotland has. In your response to Ted Brocklebank, you talked about focusing on certain areas. We know that the draft budget for Europe and external affairs is £16.1 million and that when international development spending is taken out, that leaves £7.1 million. Given the amount of money that is available, is there a danger that the Government is trying to do too much? Would the funds be better spent on a smaller number of programmes? I know that you have mentioned targeting Malawi, but obviously such targeting could be done in the round.

Fiona Hyslop: You refer to the figures that we are working with. In 2011-12, Scotland's international image budget will be £3.3 million. That is a slight reduction of about £200,000 on the previous year. It is important that we provide funding for international image work. Much of that funding provides support and activity externally, some of which is quite strategic. The Shanghai expo was extremely well received and was a very good quality activity. The Scotland House in Delhi for the Commonwealth games was also funded from that budget.

We also provided funding from our international image budget to help the St Ninian's day parade take place during the papal visit. Everyone, I think, will recognise the benefit of those fantastic images of Edinburgh and Scotland, showing a welcoming nation full of warm, smiling faces on a day that was second to none, with a beautiful blue sky and the backdrop of the castle. We think that, strategically, we can help to support activity in such areas.

There are also the winter festivals, and I know that Ted Brocklebank is very interested in the St Andrew's day event, which was funded from the same budget. A lot of it is about using the winter festivals to promote our image and who we are to support the work of VisitScotland and others. I am trying to be quite focused in what we do with our international image budget, to be strategic in the interventions that we fund and to work alongside VisitScotland and other international partners. I think that we get a lot for the budget that we have.

The Deputy Convener: Thank you very much, minister. I think that Jim Hume wants to come in at this point.

Jim Hume: I would like to move the discussion on, if that is okay with the deputy convener.

I am all for promoting winter festivals, as long as we can get people into the country to visit them.

Fiona Hyslop: Do not go there.

Jim Hume: We will leave that one for Stewart Stevenson.

The budget allocated £430,000 to the international strategy, which covers engagement with countries such as China and India, whereas it gave slightly more—£455,000—to the North American strategy. What was the rationale behind that?

Fiona Hyslop: Our activity is more established in North America than it is in China. The committee might want to reflect on that. The Parliament is coming to the end of its third session. Initially, international work was more limited but the Labour-Liberal Democrat Administration set up an office in Washington, and we now have support in Beijing. Our activity in those countries is probably at different stages. Scotland week takes a considerable amount of the resource for North America. That said, despite the fact that the value of the pound in relation to the dollar has reduced by a third, we have managed to keep the budget under £400,000 and to fund a more extensive range of activity. Our activity in North America is probably more extensive.

Within a very tight budget, I am managing to keep that activity at a reasonable level, relative to the cuts that I am having to manage in the rest of my budget, particularly bearing in mind the fact that we are embarking on our team Scotland approach in Canada, which involves co-ordinated work with Scottish Development International and VisitScotland. I am sure that the committee will be delighted to hear that we have received federal support from the Canadian Government for the recognition of tartan day. We had already embarked on activity in Canada, which represents a fantastic opportunity. As the seventh-biggest economy in the world and with a population of 30-odd million, 15 per cent of whom say that they have some Scottish connection, Canada is a very big market opportunity indeed. We just have to ensure that we are focused on what we are doing.

From the committee's international engagement analysis, it will no doubt recognise that one of the big challenges is the strong need to co-ordinate all our resources across Government. To give you a sense of what I am trying to do with my limited budget, I am working in closer partnership with VisitScotland and SDI, in particular, so that we can

cross-support what we are doing. Using my cultural budget, I have managed to maintain the international touring fund, which helps to provide opportunities for the National Theatre of Scotland, the Royal Scottish National Orchestra and the Scottish Chamber Orchestra to work overseas. For example, the National Galleries of Scotland took its Titian to Atlanta recently, where the SCO has also been. We have tried to ensure that we are a bit more co-ordinated with our spend.

Ted Brocklebank: I would like to pick up on that. You mentioned how difficult it was to identify money for crises such as the one in Pakistan from a tight budget. People who are much more cynical than I am would ask whether we should be spending £3.3 million on our international image at a time of extremely tight budgets. Could you not have looked in that direction for funds to deal with humanitarian crises such as the one in Pakistan?

Fiona Hyslop: It is a question of supporting the quality of the product that we have. I am not sure that your constituents would like it if the Government were not to provide support for the winter festivals or our St Andrew's day activity. The welcome to Scotland imagery is important because, for a lot of people, it is the first thing that makes an impact on them when they arrive in the country. People who come into Scotland's airports will notice the strong branding in the welcome to Scotland signs.

I am not sure whether the committee has looked at the niche and brands index—

Ted Brocklebank: I wanted to ask you about that.

Fiona Hyslop: It is interesting to find out what we are known for and think about what we would like to be known for. One element of that is offering a warm welcome. The fact that Scotland has warm people is a growing strand of our image that we want to support, so we must demonstrate that in a lot of our activity. That is why the St Ninian's day parade funding was money well spent.

We need to do more to mobilise, provide opportunities for and facilitate the work of the diaspora, so some of the funding has gone into the development and maintenance of scotland.org, which is where people come to find out information about Scotland. We will be doing more on the diaspora. I have been fairly active on this since taking post. We launched the diaspora strategy in October but there is more to come on that. It could be said that there is room to raid that budget, but if we do not do that kind of promotion, we do not get opportunities such as that in Delhi, where Scotland House provided good opportunities to make business connections and do cultural promotion. It means drawing an image and carrying out activity

internationally, but we work flexibly within that to ensure that we have funding available. Compared with other countries, we do not have a very large budget.

Ted Brocklebank: I am interested in the branding that you mentioned. Some of the evidence on how well we have done seems to be conflicting. For example, it seems to say that countries of a similar size, such as New Zealand, Denmark and Ireland, which have a high gross domestic product and so on, have as strong a brand as Scotland does. So despite the fact that we are spending money on our image, we do not seem to be doing an awful lot better than similar-sized countries elsewhere.

Fiona Hyslop: As independent countries, New Zealand and Denmark have their own embassies and consulates. Through their trade missions, they get opportunities for activity, and their funding for that will be far in excess of our funding from the international budget for our international image and offices in Washington, Beijing and Brussels. I would be careful about making comparisons when talking about funding levels. We are operating with a small amount of funding compared with them.

I am not sure but I think that we are 14th in the ranking.

Ted Brocklebank: We are certainly in the top 20.

Fiona Hyslop: Yes. The brand index is different for different countries, and it is interesting to know how different countries view Scotland. India is quite interesting. What Indians think of Scotland is different from what Canadians and Americans think of Scotland. The index allows us to say how we should focus.

I am somewhat concerned that, although in the past we have been known as a creative nation, a nation of inventors and an innovative country, we are not so well known internationally for some of the fantastic work that is being done in life sciences or renewables. Therefore, I am trying to focus our activity on promoting ourselves as a creative, innovative nation. We are underscoring that value as well as the scenery, castles, beauty and the warmth of the people, which form a strong brand and are good and useful for VisitScotland to identify and promote to attract tourists. We need to raise our game in promoting our industry, and I want to use our resources to focus more on that activity.

The Deputy Convener: I do not want to interrupt you, minister, but we are running out of time. You mentioned resources and I note that £45,000 has been added to the North American strategy budget. Is that to bring Canada into the North American strategy? You have put a great deal of emphasis on India, but we note that there

was a £10,000 drop there, although it seems like a drop in the ocean. Canada is more established as part of our North American strategy. Is that why you are adding to the budget?

Fiona Hyslop: We are established in the United States in particular, but new activity in Canada will be coming on stream. You will know about the success and influence that come from having the friends of Scotland caucuses in the US Senate and the House of Representatives. As part of Scotland week, I visited Tennessee, and one of the congressmen there is very supportive of our work and activity.

We have more to do in Canada. I am pleased that we launched the Canada plan last week. The committee expressed concern about how long that was taking, and I have delivered it as I told you I would. It was important that we did not launch the plan until we had the pieces in place to allow us to go on with the work.

We have now identified the personnel who will take forward the plan in a base in Canada and we have far more co-ordination between VisitScotland, SDI and the Scottish Government than was previously the case. There is a need for some resources. That is why I said that I have tried to protect the work in North America in particular, because we are bringing in new challenges. For example, there will be additional work within the diaspora plan that I talked about.

I recognise that there is a market opportunity for Scottish businesses as part of the economic growth aspect of what we are doing. We need to be there, so I thought that it was important to protect that bit of the budget even though the rest of it was being squeezed.

13:15

The Deputy Convener: Thank you, minister. We would have liked to ask you many more questions, but we do not have time. There are some areas that I would like to explore a bit more, but we have to finish at 1.15.

Fiona Hyslop: I know that it has been a trying day for everybody. If there are particular questions that you have not been able to ask me today, I suggest that you write to me with them. I will be more than happy to respond to the committee on that basis.

The Deputy Convener: Thank you, minister. We might take you up on that. We were going to move on to the international engagement inquiry, but we have run out of time for that. Will you be available to come along to the committee to give evidence on 14 December?

Fiona Hyslop: The answer is that I do not know, but I will find out quickly and liaise with you.

I thought it was important that we took the opportunity to explore some of the budget issues today because I know that you are on a tight timescale for your response. I will try to oblige the committee in whatever way I can.

The Deputy Convener: We will get the clerks to liaise with you. That ends our session with the minister. Thank you very much for coming along.

The next item was to have been item 3, on the international engagement inquiry, but we will postpone that until our next meeting. We look forward to the minister's reply.

European Union Bill

13:17

The Deputy Convener: Further to the discussion at our previous meeting, we are invited to consider the paper on the UK European Union Bill. The paper sets out some background to the bill and highlights the inquiry that the House of Commons European Scrutiny Committee is undertaking. We are invited to consider whether we wish to make a submission to the House of Commons inquiry and, if so, on what basis it should be made. The deadline is Friday 10 December. Do the members who are here have any comments on whether we should put in a submission?

If not, I thank the clerks for their advice. I do not know what we would do without them—I put that on the record. We will agree to make a submission to the European Scrutiny Committee's inquiry into the European Union Bill on the basis that we will draw its attention to the implications that the bill might have for devolved matters and request that the issue be taken into account in consideration of the bill. The submission will be agreed by correspondence because, as I said, it has to be in by Friday 10 December. Is that agreed?

Members *indicated agreement.*

13:18

Meeting continued in private until 13:22.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

Members who wish to suggest corrections for the revised e-format edition should mark them clearly in the report or send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP.

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00

Meetings of the Parliament annual subscriptions: £350.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Available in e-format only. Printed Scottish Parliament documentation is published in Edinburgh by RR Donnelley and is available from:

Scottish Parliament

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

For more information on the Parliament, or if you have an inquiry about information in languages other than English or in alternative formats (for example, Braille, large print or audio), please contact:

Public Information Service

The Scottish Parliament
Edinburgh EH99 1SP

Telephone: 0131 348 5000

Fòn: 0131 348 5395 (Gàidhlig)

Textphone users may contact us on **0800 092 7100**.

We also welcome calls using the Text Relay service.

Fax: 0131 348 5601

E-mail: sp.info@scottish.parliament.uk

We welcome written correspondence in any language.

Blackwell's Scottish Parliament Documentation

Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries

0131 622 8283 or

0131 622 8258

Fax orders

0131 557 8149

E-mail orders, subscriptions and standing orders

business.edinburgh@blackwell.co.uk

Blackwell's Bookshop

**53 South Bridge
Edinburgh EH1 1YS
0131 622 8222**

Blackwell's Bookshops:

243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Accredited Agents

(see Yellow Pages)

and through other good booksellers

e-format first available
ISBN 978-0-85758-292-8

Revised e-format available
ISBN 978-0-85758-298-0

Revised e-format ISBN 978-0-85758-298-0