



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 30 November 2010

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE
15th 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:

Dr Maurizio Carbone (University of Glasgow)

Paul Docherty (British Council Scotland)

Professor Mary Gibby (Royal Society of Edinburgh)

Denise Hill (VisitScotland)

The Rev Professor Kenneth Ross (Scotland Malawi Partnership)

Leon Thompson (VisitScotland)

Gillian Wilson (Network of International Development Organisations in Scotland)

CLERK TO THE COMMITTEE

Lynn Tullis

Simon Watkins

LOCATION

Committee Room 2

Scottish Parliament

European and External Relations Committee

Tuesday 30 November 2010

[The Deputy Convener *opened the meeting at 10:37*]

Decision on Taking Business in Private

The Deputy Convener (Sandra White): Good morning. Irene Oldfather will be a little bit late, so members will have to put up with me, as the deputy convener. I am glad that most of you could make it in. Ted Brocklebank and Jim Hume send their apologies.

Item 1 is a decision on taking business in private. Do members agree to take item 8 in private, at the end of the meeting?

Members indicated agreement.

Draft Budget Scrutiny 2011-12

10:38

The Deputy Convener: Item 2 is scrutiny of the Scottish Government's draft budget for 2011-12, which, as members will be aware, was published recently. In line with our remit, we will look at the budget for the Europe and external affairs portfolio, which amounts to £16.1 million. The Minister for Culture and External Affairs has helpfully provided a level 4 breakdown of the budget, which has been incorporated into the briefing papers.

The Europe and external affairs budget includes international development spending and a number of smaller budget lines that can be grouped together under the general heading of the promotion of Scotland. We will hear from two panel of witnesses, the first of which will cover expenditure on international development, which comprises the largest single item of spending in the portfolio.

I welcome the witnesses on our first panel: Dr Maurizio Carbone, from the Glasgow centre for international development at the University of Glasgow; Gillian Wilson, from the Network of International Development Organisations in Scotland; and the Rev Professor Kenneth Ross, chairperson of the Scotland Malawi Partnership. Thank you for coming. Instead of asking you to make statements, we will move straight to questions.

I will start. Various questions have been asked about international development funding. What would you say to the critics who question the provision of international development funding, which will be spent outwith Scotland, particularly in these economically difficult times?

Gillian Wilson (Network of International Development Organisations in Scotland): We recognise that there is poverty in Scotland and that it is extremely important to support people in poverty wherever they are, but we live in an interconnected world and there is a lot of evidence that some of the low-income countries that Scotland supports, including Malawi, Rwanda and Tanzania, as well as those in south Asia, have been hit much harder by the global recession. There is a lot of good will among communities in Scotland towards such activity. Even though there are some critics, there is a huge amount of good will among Scots towards supporting other people who are in a worse situation than they are. The level of giving of the Scottish people in response to the recent problems in Pakistan and Haiti is evidence of that, as is the giving, support and community-linking activity that have gone on in

Scotland over a long period of time. There is a huge amount of good will in Scotland towards such work and a lot of people are supportive of it, even though there are some critics.

The Rev Professor Kenneth Ross (Scotland Malawi Partnership): Such activity makes a very important statement about Scotland, its identity and role in the world and its values. We go through different times economically, but it is a constant strand that Scotland is an outward-looking nation that has connections elsewhere in the world that give us responsibilities and opportunities. As you would imagine, I represent the Malawi connection, in particular, which has been going for many years. Many things have changed in Scotland and Malawi politically, economically and culturally, yet we have stayed with the relationship and have tried to optimise it in every situation. Like Gillian Wilson, I acknowledge that critics will say that charity begins at home, but I do not think that those voices are true to what Scotland is really about or to what most Scots value.

Dr Maurizio Carbone (University of Glasgow): I support everything that has been said. That question should not be asked, because we are part of the development community, so we support development in general.

There are some problems. I want to comment on whether the amount that is allocated to international development is big. I subscribe to everything that has been said about the idea of Scotland as an outward-looking country. As a scholar who looks at the proliferation of donors, when I saw the amount of money that Scotland proposed to allocate to international development, which was small, I was concerned about how it could contribute to international development efforts. I was very happy about the decision to concentrate on one country rather than a proliferation of countries, because that is one of the main concerns.

A question that is asked in a number of countries, not just in Scotland, is whether there should continue to be an international development budget, given that there is poverty at home. I strongly support Scotland's retention of an international development budget, because we are talking about two different things, which should be discussed separately. We are in a world in which development funding should be ring fenced. Other countries, including the United Kingdom, have defended that approach to budgeting. If you want to make a difference and if you want to show Scottish identity, that is how I would do it. It works well for Scotland as a sort of public relations strategy. Showing that Scotland is a country that cares provides added value.

I will come back to the other issues about inflation, because I have some concerns about that.

10:45

The Deputy Convener: Thank you for your kind words. I should say that most of the criticism came from the *Daily Mail*, which says it all. Scotland has a special envoy, Annie Lennox, who is going out to Malawi, and we should be very proud of that.

Patricia Ferguson (Glasgow Maryhill) (Lab): Good morning. I suppose that this falls quite nicely on the back of what Dr Carbone said. Given that we are likely only ever to be able to have a relatively small budget for international development, should we be focusing on the kind of work that we do in Malawi and some other countries, or do we also have a role to play when there are major crises in the developing world? I am conscious that we tried to react when the tsunami hit, and when the earthquakes happened in Pakistan and Haiti. We have helped in all those places. Is that a sensible role for Scotland to play? Is there anything practical that we can do in such situations, or would the money be better devoted to Malawi and the other countries where we have an on-going focus?

Dr Carbone: I think that you should stay in Malawi—full stop. The amount of money is so small. Recipient countries are looking for competitive advantage. I suggest that you co-ordinate much more with other donors. I have tried to see what you do by looking at particular documents, but I have not seen much. I might be wrong, but there seemed to be a sum of projects, which is problematic in a way. Before I came to this session, I looked at Malawi's documents to see whether Scotland appears somewhere in its budget. It appears only once in relation to a project that you do for business. What I am trying to say is that you should co-ordinate and you should reduce the number of missions to Malawi—cut those completely. I understand that that is to provide support in Scotland, to keep the budget. You should try to talk more to the country, reduce missions and co-ordinate much more.

The sectors that need support in Malawi are not necessarily health and education, which receive a large amount of aid. Obviously there is a need there, but there are some other sectors that receive extremely low support from donors, such as agriculture and integrated rural development. If Scotland is to add value, let us concentrate much more on orphan sectors. That is what I would try to do. Scotland should use its competitive advantage in those productive sectors.

Patricia Ferguson: What do you mean by reducing missions?

Dr Carbone: People going from Scotland to Malawi. You should not reduce that but cut it completely. Malawi receives 180 missions a year by donors. If you look at the Paris declaration, you will see that one of the main concerns is reducing missions. Many people who go to Malawi simply waste the recipients' time. I understand why we might want to plant the Scottish flag as part of a support strategy but, in doing so, we should involve local administrators in the south less.

Patricia Ferguson: Does either Ms Wilson or Professor Ross have any thoughts on international development?

Kenneth Ross: Yes. First, though, in response to Dr Carbone's understandable point about how the energy that is expended in the host country in receiving missions might be dissipating resources, I think that the distinctive feature of the Scottish involvement with Malawi is that the people in question have been ordinary individuals from schools or local communities who have returned from the country with a passion that they carry with them for the rest of their lives. I am sensitive to such criticism and appreciate that our Scotland Malawi Partnership is adding, for example, to the carbon footprint. However, although we should be modest and targeted in our approach, we should also allow people to get the inspiration that comes from being on the ground and face to face.

Returning to Ms Ferguson's question, I think that one of the distinguishing features of Scottish involvement in international development has been the tendency to take the long view instead of responding in a very short-term way. Having the strong Malawi focus allows us to take that long view and make what we expect to be long-term commitments, which will ultimately give much greater capacity.

At the same time, I do not think that the connection with Malawi makes us so Malawi obsessed that we do not care about anything else. If anything, it works the other way. By opening ourselves up to the issues that Malawi presents, we are more likely to be able to engage with similar issues in other places. In a massive crisis such as a tsunami, earthquake or flood, all individuals, Governments and so on have a moral obligation to respond as best we can. Strategically speaking, though, I think that a rather small proportion of the money available should go on such work while the biggest proportion should be spent on long-term development.

Dr Carbone: I should make it clear that I did not mean missions by ordinary people, which I welcome, but missions by Government officials going to talk to and disturbing local officials in Malawi as they try to do their job. Obviously, people do not say as much to your face, but it is a

complaint that is often made in international organisations by the countries in the south.

Kenneth Ross: I think that we agree on that.

Gillian Wilson: I agree with other witnesses that emergency money should not be a focus and should not account for a large proportion of funding. However, there are opportunities for the Scottish Government in engaging in emergency work. NIDOS represents 88 organisations in Scotland that work all over the world, including on emergency response. The bulk of money for emergency work will always come from the public—after all, the Scottish Government's budget in this respect will never be large—but giving even a small proportion to such work will raise its profile, create publicity and help organisations to raise public money. There is value in funding emergency work because the Scottish Government adds emphasis when it says, "This is an important emergency to respond to, and we encourage the Scottish people to do as we are doing and give some money."

Often, people respond to an emergency with their heart and not their head, and there can be all sorts of initiatives, with people collecting and transporting things. The Scottish Government can add value by asking people to support the experienced organisations that know what they are doing. That is the most effective way to respond to an emergency. The Government could take the lead and propose to charities in our network and other charities in Scotland that they follow established good practice in emergency work. There are schemes and good standards already in existence. The Government could take a lead and say that the quality of the emergency response is important, that it will give money only to organisations that give a quality response and have a lot of experience and that it wants the public to give their money only to organisations that are experienced in emergency response.

There is a great opportunity there, but I also agree with Kenneth Ross and Maurizio Carbone that emergency response should not take a large of proportion of the money. We should focus on long-term development work. I also agree that Malawi provides a focus for the money, but NIDOS represents a wide variety of organisations that work all over the world, so it is important to retain some of the other support that the Scottish Government gives to other countries. Even if the sums of money involved are small, it adds to an awful lot of work that is being done. We estimate that the small and medium-sized NIDOS members that have their headquarters in Scotland—not Oxfam or Christian Aid—raise in excess of £30,000 every year, and they involve 7,500 volunteers in Scotland. The amount of money that Scotland might give to Rwanda, Tanzania, Zambia

or projects in south Asia adds to an awful lot of good work that is going on already.

The same principle applies to development work as it does to emergency work. The Scottish Government is supporting activity that is already going on in Scotland. That work is not an isolated drop in the ocean; it adds to experienced activity that is already going on.

Patricia Ferguson: I will focus another question on Malawi, given that the majority of the money goes there. I apologise to colleagues and the convener in advance, but I could talk about this all morning, as some of you will know.

In international situations, in-kind help is proffered, such as staff secondments to allow the organisation's or charity's staff to continue with their programme work so that they are not overwhelmed by all the calls from members of the public, and that is helpful. Perhaps you could talk about that when I have asked my next question, which is about Malawi.

Our involvement in Malawi was always planned to be slightly different from the normal model in that it was a partnership with the Malawi Government, hence the focus on the particular areas that the Government identified. Given that that focus has existed for about six years now, are we beginning to see the outputs from that spend in Malawi? I am conscious that there is a programme on television tonight about Bottom maternity hospital and the changes that have been made there. Perhaps that is a tangible example of Scotland impacting on Malawi. Are we seeing the beginning of change in Malawi as a result of our involvement there, or is it too soon to say?

11:00

Kenneth Ross: We could say so much about this issue, but I think that there are two essential points, the first of which is an economic one. The big picture is that the 1980s and 1990s were a time of economic decline for Malawi. It was already very low on the poverty index and one of the poorest countries in the world, but it was declining further. I lived there during those years, which was quite a heartbreaking experience. As you will know, most Malawians are subsistence farmers who more or less live off the land in a self-sufficient way. They just needed a little money for things such as school fees for the children and to buy essentials that they could not produce for themselves, such as soap. In those years, we saw that it was becoming ever harder for ordinary families to have even those basic necessities.

In this century, and particularly since 2005, things have started to move in the other direction. Malawi is still a very poor country and you would still meet situations there that would break your

heart, but my anecdotal impression is that ordinary families have just a little more capacity. That is borne out by the figures for economic growth. Although the economy is still at a low level, it has been growing consistently over the past few years. What we are not going to claim is that the only reason for that is the co-operation agreement between Scotland and Malawi. However, we should be ready to claim that the agreement has made a positive contribution to the new trend emerging of Malawi starting to come up and having greater confidence, and ordinarily families having a little more capacity. If there were still a pattern of decline, we might be scratching our heads, but the situation is much more positive than it was when we first started talking about this at the time of the Gleneagles summit.

Although the economic dimension is fundamental, we have always said that this is also about people and relationships. That is one of our distinctive features. We do not just give a sum of money to a dedicated programme that we really have nothing to do with. We engage people in Scotland and Malawi, so that this becomes part of their life and their passion. The University of Edinburgh study that reported at the time of the fifth anniversary of the agreement estimates that 85,000 Scots and 140,000 Malawians are actively involved and that 280,000 Scots and 1.3 million Malawians have benefited. Those are estimates, but the researcher who offered them indicated that they are conservative estimates. They certainly give us the clear picture that a large number of people are involved. Therefore, although we may be talking about a relatively modest sum in financial terms, the social capital that has been built up of people being actively involved and benefiting from the connection is approaching a very significant scale. Certainly, if it had been suggested at the time of the co-operation agreement in 2005 that this would be the result, people might have thought it overambitious, but here we are.

The Deputy Convener: Before I bring in any other witnesses, a number of MSPs would like to ask questions. In their answers, the witnesses can refer to the issue that Patricia Ferguson raised.

Bill Kidd (Glasgow) (SNP): Good morning. I understand Dr Carbone's comments on official visits. It almost seems as if there is a degree of micromanagement in not allowing the local officials on the ground to get on with the job and use the extra resources to best benefit and sometimes, unfortunately, in using initiatives as photo opportunities, which is not what really what the budget is all about.

Any of the witnesses can probably answer my question. The £9 million that the Scottish Government commits to international development

is a small amount of money in the context of the overall amount that is required to tackle the poverty that we are talking about. The UK Government's international development spending is to increase to £11.5 billion over the next four years—so £9 million is almost petty cash. However, Scotland makes a contribution to the £11.5 billion, and, to a degree, European Union international development funding also comes from tax from this country. Can the £9 million be used almost as seed money and to attract further money from the larger-scale funding to which Scotland also contributes, such that Scotland's contribution to Malawi and other countries makes a greater impact than is made at present?

Gillian Wilson: On your last point, NIDOS has a UK sister organisation called Bond, which also has a large number of member organisations. We work closely together to influence Department for International Development policy, so the Scottish voice in that regard is increasingly loud. The new secretary of state, Andrew Mitchell, is keen to look at the input that comes from the different countries, and he is keen to come to Scotland and hear what Scottish people are saying.

There are opportunities. On the charity side, we have been working hard to be a bit more joined up in influencing DFID policy and feeding into European policy. For example, Bond does a lot of advocacy work on European policy. NIDOS is a small organisation, so we have less capacity do that, but some of the organisations in Scotland are also members of Bond. There are real opportunities for joined-up influencing of policy.

Those opportunities do not directly relate to the £9 million, but they are certainly a result of the small bit of money that the Scottish Government gives NIDOS for our core funding. Part of that money is used in a policy-oriented way, and we are trying to develop advocacy opportunities for our members to feed into UK policy as well as Scottish Government policy.

On the wider question of the impacts in Malawi, £9 million is a small figure—£3 million, the original ring-fenced figure, is even smaller. That money will never be the big player in Malawi, so we should not be looking for it to produce significant economic impacts in six years. However, there have been some real examples of added value. The money from Scotland goes to a community in Malawi where there is real benefit on the ground, whether in health, education or whatever, but some of the projects funded by the Scottish Government in Malawi have added other leverage too.

For example, Concern Worldwide has a child nutrition project that has been funded by the Scottish Government over a number of years, and it has reached a stage where it is so well

recognised that it is becoming part of Malawi Government policy on child nutrition. It has been asked to feed into child nutrition policy in Malawi, so there is a ripple effect and real added value. Mary's Meals has been funded to do school feeding programmes, and the Malawi Government has now looked at feeding programmes across primary schools in Malawi. That, too, is becoming part of Malawian Government policy.

The International Network of Street Papers is a network of *Big Issue*-type papers for the homeless. On the back of helping to support the establishment of the *Big Issue Malawi* through the fund and other international work, the network set up the Street News Service, involving Reuters. As a result, really good-quality international journalism is raising the issue of poverty in some very mainstream media.

Small sums of money can have wider policy impacts, and we have seen that in the Malawi programme. I gave a few examples, but another good one is the Imani Foundation and trade links. Some of the benefits that have come from that money are seen not just in Malawi but in Scotland. There are trade links—some small Scottish businesses have been set up to sell fair trade produce in Scotland—and there was also a fifth anniversary programme. As I said, a small sum of money can leverage in influence, particularly in relation to policy change. That is a real plus and a real bonus from some of the work that the Scottish Government has funded. It is never going to have a big economic impact, but it can really throw its weight in there in relation to policy change.

Dr Carbone: With reference to what Kenneth Ross said, I have some figures. Scotland should be happy to be part of a larger project in Malawi, where growth in gross domestic product over the past five years has averaged an impressive 7 per cent, in comparison with only 2 per cent in 2005. Although we cannot see the impact of aid, it represents about 25 per cent of Malawi's national GDP, so Malawi depends heavily on it. Scotland should be happy to be part of that.

My view is that rather than say that we have done this or that, we should say that we are a good donor that participates in the larger project that is Malawi's economic and social development. Scotland should reflect on what kind of donor it wants to be. Does Scotland want to be the progressive lead donor, or just part of a larger group of donors? Lead donors should try to implement the Paris agenda on aid effectiveness and should support ownership, mutual accountability, partnership and, above all, alignment.

I understand from what Patricia Ferguson said that the sectors for aid have been discussed with the Malawi Government, but I do not know the way

in which those were discussed and whether the question was just “Okay, what can you offer?” I have participated in discussions between donors and recipients, and I would like to see much more reflection on the added value that Scotland can contribute to Malawi’s economic development and whether it can contribute something else. Scotland should be happy to be part of the larger project; at the same time, it should reflect on its international identity as a donor. That is a central problem in my view—I am sorry to insist on that.

As for donor co-ordination on the ground, £9 million is fine, but the donor statistics show that in 2007 the UK gave \$133 million to Malawi and Ireland gave \$9.7 million. It would be ideal if there were much more co-ordination on the ground with other donors. Further, Malawi suffers from another major problem: much of the aid is project aid, which is considered internationally as bad aid.

The Deputy Convener: I am sorry to interrupt you, but you mentioned donors. I think that all members would agree that it is more about a partnership between the Scottish Government and the Malawian people. Gillian Wilson picked up on the fact that it is not about projects: aid goes straight to the people. Villagers have come up to us, saying “If it hadn’t been for the money that was given by the Scottish Government when it started its partnership, our families wouldn’t be here.” Although it is not a huge amount, it reaches the people. That is possibly the beauty of it—in my opinion anyway. I am sorry to interrupt.

11:15

Dr Carbone: No, that is fine. I understand that point. I am sorry to be critical, but that is very often the donor argument. If you talk to the recipient behind closed doors, that is not the argument that they want to hear.

The Deputy Convener: We can perhaps ask about that when we go to Malawi in January.

Kenneth Ross: I will return to the issue of leverage, but also pick up on the deputy convener’s point about the people-to-people connections. We can look at our relationship with other donors, but one thing that we should not miss is the amount of leverage that has been achieved within Scotland. The figure from the University of Edinburgh report that caught the headlines was the estimate that, in the year to October 2010, organisations in Scotland had put £30 million into their work with Malawi.

On seed money, we could hardly get a better example than the money that the Government has committed, which has had a multiplier effect. The Scotland Malawi Partnership has grown to 450 members. Some are big organisations, such as city councils or universities, and some are very

small community organisations that members might know from their constituencies, but together they generate the level of support to which I referred. It is an estimated figure, but it is on quite a serious scale.

It would be worth considering the use of the international development fund as a catalyst or seed money. In my opinion, the first funding round in 2006 was much more effective in energising and resourcing Scottish bodies to embark on Malawi involvement. I think that that would be a very good note to pick up for the future.

On the specific question about DFID and the EU, we have come quite a long way in the past five years. At the beginning, I definitely got the impression from DFID officials that Scotland was regarded as a bit of an upstart and that they were asking what Scotland knew coming into the field, when they had years of experience. However, I think that they have come to appreciate that Scotland is not trying to be a mini-DFID or a rival or competitor, and that it is doing something quite different and complementary. We may have great possibilities for greater working together that will optimise the fund’s contribution.

Gillian Wilson: I totally agree with the point about the importance of aid effectiveness. I think that the Scottish Government is beginning to take that reasonably seriously. It is committed to the Paris declaration, which it is beginning to implement through its grant requirements and so on. For example, it has funded NIDOS over the past year to develop a self-assessment tool for organisations. There is therefore real movement towards the fund becoming more effective and insisting that projects become more effective, too, which is valuable. NIDOS will focus on that work for the foreseeable future, on which we look forward to working with the Government.

Mr Frank McAveety (Glasgow Shettleston (Lab): Gillian Wilson has already touched on the points that I wish to focus on. The real danger in the international aid debate lies in how effective aid is and who benefits from it.

First, I want to explore with the witnesses how we challenge some of the assumptions that are made, particularly the assumption that aid—whether it comes through DFID, the European Union or Scotland’s contribution—does not necessarily go to the right people. Individuals working in the bureaucracies concerned could maladminister the funds that they receive, mainly because of the economic and social circumstances in which they operate. The big problem is that the people who have a principled objection to international aid use that as an excuse not to provide any at all. Kenneth Ross identified the social consensus that I think exists in Scotland and, broadly, across the UK to make efforts in that

regard. Over the past 15 to 20 years, that argument has been more successful than was the case for a long time. There is a desire to ensure effectiveness across the system.

Secondly, in her final point Gillian Wilson touched on something that might merit further elaboration. Could some of the money that we spend be spent more effectively on resourcing the social capital that Kenneth Ross and Gillian Wilson both mentioned, so that the organisations in NIDOS are even more effective? The cumulative effect could mean that a small amount of money at our end could make a real difference.

Thirdly, how can we influence UK Government policy with regard to the difficult budget decisions that have been announced? The Government has argued that it has protected international aid, although there is still a certain level of scrutiny to be applied to such claims. Public statements have been made that the UK Government has sought to do certain things on international aid. How can we in Scotland influence that debate? Should we do so by demonstrating what we want to do? How can we shape the decisions that are taken at the UK level?

Gillian Wilson: On your first point about concerns over wastage or maladministration of money, there are of course huge debates to be had—books have been written about those issues—and there is a lot of concern.

The Scottish approach is not that the money goes from Government to Government. It is not bilateral aid, and the money does not go into a government slush fund; it goes through specific organisations for specific pieces of work, and the monitoring and evaluation reporting is quite close. The Government is strengthening the way in which projects must report. The actual spending of grant money is closely monitored, and there is little room for money simply to be squandered and lost. It is allocated for very specific purposes, and there are six-monthly reporting procedures for how it is spent. It does not suffer from being in massive bilateral aid budgets that go into a Government fund and get lost. Scotland does not suffer from that.

On effectiveness, the Scottish Government has been helpful in supporting the Scottish Fair Trade Forum, the Scotland Malawi Partnership and NIDOS by giving us some money to help us to encourage collaboration and the sharing of experience among Scottish organisations.

I know that the Scotland Malawi Partnership does this to an extent, too, but NIDOS is trying not just to have collaboration among its own members but to encourage collaboration between our members and other players in Scotland, including universities. For example, through the Scottish

collaborative alliance for international development, collaborative work is being attempted through the universities network.

We are beginning to consider how the Scottish Government could be more joined up in its external relations generally. The large proportion of money that goes to external relations, which you will discuss with the next panel, is primarily to do with Scotland's economic benefit. A lot of added value could be developed if you had a better link-up between, for example, the India plan or the China plan and the international development programme. That could add value—at least, it would not detract from projects that are funded through the international development programme.

There will always be room for improvement as far as the Scottish Government is concerned. If we compare the programme for 2006 with the programme now, there is a lot more strategic thinking and the programme is a lot more focused, which has made it more effective.

There has been more of a focus on bringing organisations together for good practice days. For example, the Scottish Government has organised two Malawi good practice sharing days, and NIDOS has been doing a lot of work around its effectiveness tool. A lot of effort is going into getting people to work in a more joined-up way, and to consider what effective development is, what makes it sustainable, what makes it accountable to local people and what strengthens the governance of the money.

On your third question, which was about influencing the UK Government, NIDOS definitely sees enabling the Scottish voice to be heard at DFID as being within its role, so we have been providing opportunities for that to happen. The Secretary of State for Scotland has asked us to try to create an opportunity for a debate in Scotland about UK policy, and we are happy to help in trying to facilitate that. We would like to be able to do that, if we can, in spring next year.

We can influence the UK Government in other ways. For example, NIDOS has an advocacy working group at which its member organisations get together and discuss the issues around DFID policy that they want to present. I am sure that there are influencing opportunities outside that group and we would love to help enable those opportunities to happen.

Dr Carbone: I strongly support non-governmental organisations, and I strongly appreciate the fact that Gillian Wilson said that they co-ordinate with the Government. I am perfectly happy with that.

However, in relation to the documents, one matter on which the Malawi Government sees

room for improvement is that it still does not know the amount of money involved. I am not talking about NIDOS in particular; I am talking about what the Malawi Government wants from the documents from the Cabinet Secretary for Finance and Sustainable Growth. If more effort could be made to co-ordinate the work better with the Government so that there was more knowledge of what NGOs, in particular, did in the country, the Malawi Government would be able to plan much better. I am glad to hear Gillian Wilson say that NGOs co-ordinate well with the Government, because that makes aid much more effective.

I will make a small suggestion, although I do not know whether it is something that could be considered. One of the problems with foreign aid is that recipients cannot do long-term planning. They know how much they will get this year but they do not know about next year. I do not know whether it is possible for the Scottish Government to start thinking about a three-year budget rather than a one-year budget, because I do not know about Scottish politics.

Mr McAveety: A three-year budget would be a great idea.

Dr Carbone: Only in development.

Mr McAveety: It is a pretty good principle.

Dr Carbone: I am talking only about development. I think that a small effort could be made in that direction.

Irene Oldfather (Cunninghame South) (Lab): I apologise for being late, but getting to the Parliament from Ayrshire this morning has been a bit of a challenge. I thank you all very much for coming.

I am not sure whether ring fencing has already been touched on, but it links into the point that Maurizio Carbone made about planning budgets. In the past, the budget for Malawi has always been ring fenced. This year, that budget is a priority but it is not ring fenced. Do the panellists have a view on that? Maurizio Carbone has obviously made his view clear on long-term planning, but, within that, would ring fencing be helpful?

Dr Carbone: Given what I have said, ring fencing is essential, because aid predictability is essential for recipients. One of the complaints that recipients make all the time to international organisations is that they do not know how much they will get every year, so they cannot plan in advance. I am not saying that they want to plan with your money, but they need to know where your money is going so that they can focus on other areas.

11:30

Gillian Wilson: I totally agree. That is important for recipients. It is also important for the Government, in planning aid programmes practically, to know how much money it is going to spend, because that makes it much easier to allocate grant to programmes in a timely way.

Although there are a lot of very good things about the Scottish Government programme, one thing that has been a big difficulty—it really needs to be looked at for the next programme—is getting timely decisions so that grant programmes are delivered in time. There has been a lot of delay. Obviously, the south Asia programme is the biggest example of that. Even within the Malawi programme, where £9 million is available to be spent in a year, decisions have to be made before the year starts so that people can spend the money and deliver the benefit of the £9 million. If that does not happen, money is left unspent or projects are rushed. It is really essential to ring fence and for that decision making to have a realistic lead-in time. Given the elections next year, I see a real problem emerging if the Government does not start making decisions and opening up grant programmes in the very near future—in the next few weeks—because grants will not be made until July next year and only half the budget might be spent.

Ring fencing helps with practicalities, including giving the Malawi Government some predictability of income—

The Deputy Convener: I am sorry to interrupt, but you mentioned the £3 million that was ring fenced previously. How much of the £9 million should be ring fenced, or should that be left to the discretion of those involved in projects on the ground?

Gillian Wilson: Ring fencing a sum of £3 million is a good level to set. I would say that because I represent organisations that work all over the place. I think that it is important that there is diversity in the programme. It would be a real loss if the programme were to become solely a Malawi programme. I say that not just because my members work in different parts of the world but because of the extent of cross-fertilisation within our membership. For example, a grant was given to Concern Worldwide for the child malnutrition project in Rwanda, and a lot of the learning that developed that project came from Malawi. That can work either way. There are real benefits to having a diverse programme.

The Deputy Convener: The last word goes to Kenneth Ross.

Kenneth Ross: Thank you. Although Gillian Wilson and I would not disagree on the principles, we might have a discussion about the proportions.

One important aspect of the ring-fenced £3 million for Malawi expenditure was that it was regarded as a floor, not a ceiling. In fact, the Malawi expenditure was greater than £3 million. Given the value of the focus on Malawi, it was important to have that flexibility—naturally, I support the ring-fencing policy.

In the early days of the international development fund, 75 per cent was ring fenced for Malawi; more recently, the figure has fallen to 33 per cent. Obviously, the sum involved has not fallen in absolute terms because the total fund has increased. Reflecting on our discussion today, I wonder whether something like 50 per cent would not be a more appropriate ring-fenced figure, given the value that I think all of us round the table see in the Malawi focus. However, we would not want to go to 100 per cent. We recognise the significant value of what is being done in other programmes.

The Deputy Convener: I thank the witnesses for an interesting session. I think that all members got a lot out of it and I hope that the witnesses did, too. I thank them for coming to the committee today.

I will hand over to Irene Oldfather, who will convene the next part of the meeting.

The Convener (Irene Oldfather): Thank you. I suspend proceedings for a changeover of witnesses.

11:33

Meeting suspended.

11:37

On resuming—

The Convener: I am pleased to welcome our second panel of witnesses, who are here to talk about the budget in relation to the promotion of Scotland: Paul Docherty is director of British Council Scotland; Professor Mary Gibby represents the Royal Society of Edinburgh; Denise Hill is from VisitScotland; and Leon Thompson is also from VisitScotland and works in the EventScotland directorate.

I will open with a general question. If we take the international development element out of the Europe and external affairs budget, I think that we are left with about £7.1 million, which is not a huge amount of money. Given the cuts that everyone is facing, do the witnesses have general comments about how we can best use the money?

I do not know whether you heard the discussion with the previous panel. Some witnesses suggested that better linkage between the budget for the promotion of Scotland and the budget for

international development, with a focus on innovative programmes, might produce economic benefits for Scotland. We would welcome your thoughts on the size of the budget and how best to use the money in challenging times.

Paul Docherty (British Council Scotland): The British Council is a cross-border organisation, as you are well aware. We broadly welcome the part of the budget that relates to the activities through which we make our contribution—that is, education and the arts.

Although the pain that is being inflicted on us through the central budget from down south is considerably greater, there is at least a sense that the budget is clear and ring fenced for the next four years, so we can get on and plan over the longer term for a reduction in Foreign and Commonwealth Office grant from something in the order of £180 million to something like £149 million by 2014. There is a benefit to be had in having a four-year horizon so, although we broadly welcome the Scottish Government's decision to try to safeguard as much as possible the bits of education and the arts that are important to us, we wonder what might happen beyond next year.

Professor Mary Gibby (Royal Society of Edinburgh): In the context of the RSE's position, the budget cuts are relatively modest compared with some areas. However, it is important that we ensure that there is co-ordination between public sector bodies, so that we have priorities for international engagement. For example, China is an important area for us and we are perhaps not well enough joined up across all the opportunities to work with business and science on that engagement. It is important that we consider priorities, so that we get better value from the resources that are available.

Denise Hill (VisitScotland): VisitScotland's block grant comes from enterprise and tourism. We already collaborate with the external relations teams where we are able to do so, and there is a valuable supplement and complement to the work that we are able to do to drive sustainable tourism and sustainable economic growth through tourism.

We are working with the teams to ensure that there is not just a straight supplement to what we do but valuable added benefit, through the team Scotland approach. Where the budgets touch on our joint activity, they can bring real added benefit, which might not otherwise be there, through the team Scotland approach. For instance, we are working in partnership with Scottish Development International to target high-end business influencers in the Chinese market. VisitScotland and SDI might have different aims but, by working together, we can create opportunities to cross-sell. Likewise, by working with SDI, VisitScotland can cross-sell in the area of business tourism in the

North American market. We value the complement and supplement that such an approach can bring to the work that we do. There can be a valuable exercise in cross-selling.

Leon Thompson (VisitScotland): I endorse what Denise Hill said. The partnership approach is crucial. EventScotland has always worked with a wide range of public sector partners, sharing bits of money to invest in the events portfolio, so that all the partners can achieve their desired outcomes and objectives. We will certainly continue to work in that way in future. The experience of homecoming in 2009 showed the value of putting events at the heart of activity in Scotland.

The Convener: A number of you mentioned geographical markets. In the draft budget, about £455,000 is allocated to the North America strategy and I think that £430,000 is allocated to international strategy objectives to support engagement with China, India and others. Before we go into detail on other matters, do the witnesses want to comment on the split and how it fits with your organisations' priorities?

11:45

Paul Docherty: That split fits extremely well with the priorities of my organisation, which are India, China, Brazil and the United States. The United States has always been difficult for us, as it has always been a problem for us to decide quite what work to undertake there. However, we have decided that it is a priority and it is one of the few areas of our work for which the central budget from London is increasing. We recently opened a small operation in Los Angeles and another one in New York, which are in addition to the operation in Washington DC. The United States is becoming more of a priority for us, and that mirrors to an extent the budget from the Scottish Government. That makes our work easier in the sense that, in trying to align ourselves with the aspirations of the Scottish Government in the areas of our remit, it is good that we have a tight focus. That focus fits almost perfectly with what we want to do.

Professor Gibby: Looking at the international and North American strategies from the point of view of science, I note that there are already strong connections with North America, for example, in the university sector. We see the opportunity to expand engagement with China as a priority, so it is disappointing that the budget for that is shrinking compared with the North American strategy budget, which is increasing slightly. In the past 10 years, Chinese science has had enormous investment and development and there are increasing opportunities to engage with China. For financial reasons, the partnerships that we can support are limited and constrained, so it is

disappointing that the increase is in the North American arena, rather than in China, India and Pakistan.

Denise Hill: From VisitScotland's point of view, the focus is a good fit with us, as it is with Paul Docherty's organisation. We are very much considering emerging markets, in China and India for instance, and we enjoy good collaboration as team Scotland in those areas. However, for now and for the next 10 or 20 years, the North American market will probably deliver the largest amount of traffic of international leisure and business tourism into Scotland, so we are pleased with the increase in activity and support in that area.

Bill Kidd: Given the small budgets that we are talking about, they have to be used to the best advantage and we have to think a wee bit differently about how they are used. In Scotland, we are always banging on—rightly, I think—about the good contacts that we have around the world, particularly in places such as North America, as a result of the Scottish diaspora. However, there is another diaspora that is here—the people who have come from China and India and other parts of the world and who have links back with where their families come from. How much are people in those communities, including businesspeople, cultural people and others, used to develop contacts in the countries from which their families originated? This is not quite the same thing, but I recently met a contingent of trade unionists from China and found that some of them had made contact with relatives who had emigrated to Scotland. I was struck by the idea that we have a resource of people who live in Scotland and who would be perfectly willing to co-ordinate or at least help to co-ordinate trade missions and make contacts. Is that done at all and, if not, is it worth developing?

Denise Hill: When we target initiatives such as the promotion of further homecoming, there is always an opportunity to encourage our home market to invite family and friends to come home to Scotland, regardless of whether it is their new home or—as in the case of born Scots—their ancestral home. We did that for homecoming last year and will continue to do such work on the leisure tourism side in the future. On the creative side—in the arts—it may fall more to our colleagues in Creative Scotland. The point that you make is well made: there are people who now base themselves in Scotland who might be able to help us in that area.

At the moment, VisitScotland is trying to develop further its targeting of students when they are based here. Chinese students are the biggest international group at our universities, so they are one of the groups that we would like to target.

They are interesting to us not only because they should be an easy-to-target group while they are here but because they offer us a hugely cost-advantageous way of targeting the Chinese market. General consumer advertising to the Chinese market is prohibitively expensive for us, hence our current focus on PR and travel trade activity. However, thousands of young Chinese are staying here for years and enjoying the Scottish landscape and way of life. All the evidence suggests that they have a great time while they are here, so we hope that they will be our ambassadors when they go back.

We want to use Chinese students further. As well as wanting them to be ambassadors after they have been to university here and have become alumni—the universities will continue to communicate with them to stoke the enthusiasm that we hope they have as a result of their positive experiences—we are interested in what might be called the middle section: the time when they are here. There is a fantastic opportunity to increase the value of tourism from China by inviting in the families and friends of those students, many of whom are precious single children and, almost by definition, from fairly wealthy families. I hate to sound mercenary, but experience tells us that there is quite a lot of money to be made from encouraging those students to encourage their friends and families to visit them—several times, we hope—while they are here in Scotland.

Professor Gibby: During the year of China now in Scotland, there was a lot of development of international contacts and partnerships through our scientific organisations and universities—for example, through the Royal Botanic Garden Edinburgh. There was also strong engagement with people in the Chinese community in Scotland, to involve them in the initiative. That engagement was very successful, because it involved communities in Scotland as well as bringing in international contacts.

The Convener: I have a question about the budget line that is allocated to Scotland's international image to build recognition of Scotland as an attractive place to visit and in which to study, live and work. Denise Hill mentioned the challenges that she faces in the Chinese market; I imagine that the same applies to the Indian market. The budget line for that work is £3.3 million. I could ask you whether that is enough but, at a time when things are so difficult, one might also ask whether we should be spending £3.3 million on PR and image. Do you have views on that issue?

Paul Docherty: I will respond first to Bill Kidd's question. The use of the Chinese diaspora is an attractive idea. In our experience, that is sometimes more difficult than it might appear, for

all sorts of good reasons, although we have tried to use the Indian diaspora in Scotland in some of the work that we have done with India. We could certainly get much better at utilising alumni networks. People who come here have, on the whole, a very good experience. As I am sure that you are aware, we have several offices in China and, when we hold recruitment fairs or higher education marketing events, we typically ask alumni from UK institutions, including Scottish ones, to come along and encourage their counterparts to have the same experience.

As for the funding, which is—

The Convener: It is £3.3 million.

Paul Docherty: You would need to see what return you get on that spend. From working in many places around the world, I know that Scotland's brand is probably the single most well known in the world, certainly as far as nations are concerned, and that £3.3 million might be more usefully spent on enhancing what is already a very strong brand. The fact that people know about Scotland, where it is, what it stands for and some of its iconic features gives us a fantastic calling card and a platform we can jump off. It would be good if the money were to be spent in that area but, as I say, I am not yet sure what the return on that investment would be.

The Convener: Could Denise Hill or Leon Thompson say whether there has been any audit or analysis of how to get best value out of that £3.3 million? How can we best spend that money on what is a big target audience? Is any audit being carried out to ensure that that is happening?

Denise Hill: I will answer the first two parts of your question and then pass over to Leon Thompson to talk about the sustainability of winter festivals.

As a marketer, I will obviously say that the amount of money is too small. It would be lovely to have more money to spend, but I guess that times are hard. My interface with the team is not so much about putting money into campaigns as it is about strengthening our understanding of the Scotland brand and our unique selling points and, moreover, helping us all to be better able to communicate that. It is all about creating an international image, and we have worked with the team in sharing a lot of the information that we have gathered and the research that we have carried out on international visitors' understanding of the Scotland brand and what attracts and motivates them in that respect. We have a fair bit of input into the process.

In my view, that work is valuable in creating strong brand headlines and messages, all of which can have a multiplier effect. If this team can help us to get all this right and to identify what makes a

difference and have an arsenal of messages when we go out and talk about Scotland, we will have a resource that will help not only SDI, VisitScotland, Creative Scotland and the rest of the organisations that are immediately in the team Scotland tent but businesses and individuals all over the country to go into the international arena and better convey the Scotland message either to convert people to tourists or to make them start to think about investing or sending their children to study in the country—or, indeed, to do some or all of those things. The money that is spent on all that has, as I have said, a multiplier effect. If, in my day-to-day job, I can convey the right messages, which I should point out are not necessarily about tourism, I can support the aims of our SDI or university colleagues, which will be very valuable to Scotland.

Perhaps Leon Thompson will say something about the team's work in supporting certain campaigns.

Leon Thompson: A new bit of work for EventScotland is co-ordinating the winter festivals programme which, for the first time, will bring together St Andrew's day celebrations, hogmanay and Burns celebrations later in January. Those are three key points of the year that offer an opportunity to promote and celebrate Scotland. We have been working with event organisers around the country to pull together a programme of activities that will, in turn, be promoted by colleagues in VisitScotland in order to attract international visitors to the celebrations. The programme of festivals is gathering a lot of international media attention and promotional exposure. That is another way in which we are putting out an image of Scotland—a traditional image but with a contemporary twist, which is very important for selling the country.

12:00

Denise Hill: I would like to come back on the point about evaluation. All these campaigns—winter white; winter festivals; all the United Kingdom, Ireland and international campaigns; and the I am a Scot campaign and the meet the Scots campaign—undergo rigorous evaluation by independent research companies. In passing, I would like to offer a word of support to EventScotland in its work. Last year, without the injection of cash, the winter white campaign brought in around £66 million to the Scottish economy. We are able to evaluate the additionality that is generated by the campaigns.

The Convener: What was the spend on that campaign?

Denise Hill: Last year, £1.3 million generated £66 million.

The Convener: Can you attribute that directly to the winter festival?

Denise Hill: Yes. The conversion studies were carried out completely independently. They set out to establish whether visitors had been influenced by the marketing materials. If they had not been influenced or if they had been going to come anyway, they were not included in the calculation. Studies are about identifying the additionality; we measure what happened over and above what would have happened anyway.

Bill Wilson (West of Scotland) (SNP): I am reliably informed that countries such as India and China are rather larger than Scotland. A previous witness, talking about China, suggested that, rather than talking to people at a very high level, it was better to focus on regions. It was suggested that focusing lower down in the chain of command would have more of an impact. What are your views on that?

Denise Hill: My view is simple: the answer is dictated by where people are allowed to travel from. Britain had to await approved destination status before we could welcome people on regular tourism visas and group tourism visas. Before we had that approval, people could come only on academic or business visas. In China, approval is applied by province. We are therefore very focused. We know that there is little point in trying to work with the travel trade, or in trying to influence visitors directly, in provinces that do not offer us approved destination status.

Bill Wilson: Are there many provinces in which Scotland does not have approved destination status?

Denise Hill: In China, yes.

Bill Wilson: Why is that?

Denise Hill: I would guess that people in the regional Governments have to agree on things. However, I am afraid that I am not an expert on that. So far, very few provinces have offered the status.

Bill Wilson: Do you put a lot of effort into trying to convince regional Governments that do not offer the status? If I understood you correctly, you said that it was the regional Governments that give approval, and not the national Government.

Denise Hill: I believe so. Lobbying will be done by VisitBritain, which is in the marketplace and has offices in the area already. We are working with VisitBritain in its lobbying efforts to extend the approval. The Government has its own specialists out in the market.

Bill Wilson: I assume that approved destination status is for the UK rather than for Scotland, England, Northern Ireland and Wales.

Denise Hill: That is right.

Bill Wilson: Perhaps others would like to answer my first question.

The Convener: We have taken evidence on this issue previously, and we have raised it with the Scottish Government. We wondered whether there were any levers that could be operated in order to assist things. However, you are quite right to suggest that the issue is UK-wide.

Bill Wilson: I guess you took evidence before I was on the committee.

The Convener: Yes.

Paul Docherty: On the point about India and China being totally massive, we have a large network on the ground, so we rely very much on the intelligence of the Chinese and Indian people whom we employ there. In our work on education, for example, we ask them to try to intervene in a supply-and-demand equation, which we feed into. We are interested in life sciences, for example, to promote higher education in Scotland. That is a Scottish strength and a Government priority. Our Indian team came up with Pune as a place that we should visit, so we took a mission there. In China, we wanted to do creative industries, which is another priority for the Scottish Government, so we were directed towards Wuhan. A lot of work was done on the ground to soften people up so that doors opened, then we went in. Most recently, in the area of renewables, in particular wave power, we took a mission of 10 Scottish universities to Qingdao.

Our approach is to look at the market and take intelligence from our people on the ground, while feeding in that we want to be in particular subject areas at whatever level of education, be it higher education, postgraduate education or colleges. On the basis of what we get back, we put together missions that then go out. That is indirect in a way, while what VisitScotland does involves cause and effect, you would hope, because it is a marketing organisation. Quite a lot of what we and other organisations do is indirect but nevertheless important.

One of the main strands of our arts work in Scotland at the moment is to align ourselves with the ambitions of Festivals Edinburgh, particularly with its proposition around 2012 and 2014. There is an astonishing coincidence of timing between the elite athletes of the world being in London and the elite cultural players being just up the road at exactly the right moment. There is a big push there that we are very much in favour of, for all sorts of reasons, including artistic ones. If we are successful, there will be a very big spin-off in visitors to Scotland.

Sometimes, you do not need a campaign directed specifically at a particular area, although that is good and it works; you can also bring people here. The winter festivals were mentioned, and we are, for example, encouraging people to come to Celtic Connections in Glasgow in February. Those people will have the same kind of experience of Scotland, which we hope will have a knock-on effect. The simple point is that there are indirect ways of achieving the same thing. If we stay in touch and are joined up when we can be, that will benefit Scotland.

Professor Gibby: The international bilateral exchange programme that the RSE runs is an opportunity to develop links with particular universities in China. That is growing, and there is a memorandum of understanding between the National Natural Science Foundation of China and the RSE through which we make contact with universities and develop relationships, which works in looking for opportunities for students to study, raising the profile of what is going on in Scottish universities and getting student exchanges on the back of the more high-level academic exchanges. My own organisation has strong links not only with Beijing but particularly with Kunming and Yunnan, where we have a huge research area in collaboration with people at the Kunming Institute of Botany and with other biodiversity scientists in the region. That has the opportunity to raise the profile of Scotland in that area of China and to create links at both the student level and the academic level.

Sandra White (Glasgow) (SNP): Will the economic situation have a knock-on effect on students coming over and the fresh talent initiative?

Professor Gibby: Many more students are now coming to the UK from China. The numbers are on the increase at both undergraduate and postgraduate level. More and more of the students who are registering at our universities are from overseas countries, particularly China. The challenge for us, where we have the opportunity to do so, is to bring people over who have not gone down that track but who could benefit from collaborations with organisations. If someone is not following a standard university course, it is much more difficult to get a visa for them to enter the country. That means that there is limited access to some of the shorter training programmes that are available in Scotland, because people cannot get a visa.

Sandra White: The visa situation has been raised on numerous occasions. Does it have a knock-on effect on the fresh talent programme? I am not sure how successful the programme is at the moment. You mentioned that more money should be spent on the sciences. Would it help the

visa situation if more moneys were put into the fresh talent programme? The question is for all the panel.

Professor Gibby: It would be beneficial to put money into that area.

Sandra White: Does anyone else have a comment on the success of the fresh talent initiative?

The Convener: Does the British Council have a view on that?

Paul Docherty: We do not have a view on how successful it has been. We see it more in the wider scope of trying to attract as many high-quality students to Scotland as possible. We also have a brief to look at the other benefits that arise from that kind of traffic. When there is a budgetary squeeze, the danger is always that foreign students are seen as an income stream. Of course, one understands perfectly well that using that income to offset cuts elsewhere is a legitimate approach—if I were a university principal, I would probably do the same—but there are dangers in taking such an approach.

I am not sure how I would disaggregate the fresh talent initiative from the broader picture. I think that I am right in saying that fresh talent is trying to encourage people to come and stay, at least for a while. That is an interesting initiative, one that we are seeing in other countries around the world, too. Canada is trying to do the same thing. It is trying to attract high-quality students from around the world with the promise, if you like, that they can stay on afterwards. Probably more can be done in that regard.

I worry about the visa issue. There could well come a time when the four Governments of the UK diverge on the matter. They might take different views on how hard they want to apply caps and so forth, which might cut across the fresh talent programme.

The Convener: We are running a little bit late, but there is one final point that we have not yet covered, which is major events in themed years. Obviously, there is a budget allocation for that. The 2011-12 budget covers the period of two themed years: active Scotland and creative Scotland. I imagine that you have been involved in some of the policy development around those. If I ask you whether you think that those events are a good thing, you will probably say yes. Will you elaborate on why those themed years were chosen? What are your expectations for the events?

Denise Hill: They are very positive. Our experience of homecoming 2009 showed that, when there is a uniting theme, it need not be all-encompassing. Other things happened and were

promoted during the year. However, having a strong theme that people can pull around can be fantastic in terms of the buzz that you can create as well as in public relations and engagement terms. In a year when so many of our competitor destinations suffered, I think that I am right in saying that Scotland was pretty much the only country in northern Europe to show an increase in visitor numbers. The travel trade and our PR and media contacts overseas said, "Thank God for this." It was a year when everyone else struggled to give people a good reason to travel. People needed strong story angles; we had the strongest one.

12:15

A unifying theme is therefore a good thing. We at VisitScotland believe that the chosen themes—food and drink, active Scotland and creative Scotland—are all very strong for us and carry through a lot of the legacy messages from the first homecoming. However, they are also very strong for us in that our tourism campaigns can underpin them. We know from our research what visitors already believe to be strong about Scotland, so we can reassure and underpin what already exists. In some markets, for instance food and drink, we have the opportunity to expand brands and help people to understand more about things that perhaps they were a little foggy about or even potentially negative about. The themes that have been chosen are really strong.

The active Scotland year will help us enormously with, for example, our major focus in the European market—the touring plus promotion. It is a fantastic product—a classic Scottish touring product—that visitors tell us is what they want. Equally, we know that the visitors whom we target are increasingly interested in their own health and wellbeing and in being more active. We know that they have a better experience if they get out and are more active, whether that is through a short walk, a day of cycling or a bit of wildlife watching. Engaging more directly with nature and the landscape means that you have a stronger experience and will give even better word of mouth afterwards. The active Scotland year is a good, strong support to our touring plus promotion, which we will be doing in any case.

Leon Thompson: We should also bear in mind that these years of focus are stepping stones on the way to 2014, when we will have the Commonwealth games, the Ryder cup and another year of homecoming. The idea behind the years of focus is that we are helping the tourism industry and the events industry to build up their capacity as we move towards 2014.

The Convener: I think that we are finished at this end of the table, but do the witnesses have

any final comments on the budget, or do you feel that we have covered most of it?

Paul Docherty: I have two things to say. From our point of view, the themed years are probably neutral in the sense that they do not have the direct impact on us that they would have if we were an overtly marketing organisation. However, we can of course align ourselves with them in a marginal way. For example, with regard to the creative year theme, we are creative every year. From our point of view, the themed years probably do not make a great deal of difference.

Your previous witness Kenneth Ross talked about being in it for the long game. We certainly are in it for the long game; we are interested in the very long term. As you are probably aware, we have just had a very successful season in Washington DC at the Kennedy Center, which is a notoriously conservative organisation. The British Council has taken eight years to persuade it to become a little less strait-laced. It had a season called eye on Edinburgh, which was a series of shows taken from the festival fringe over a number of years. It was hugely successful, but it took eight years to do that. With that kind of timescale, we would find it difficult sometimes to fit in with themed years.

The Convener: That is an important point. Thank you.

Professor Gibby: The celebration of food and drink is an opportunity to celebrate the science in Scotland that supports the Scottish food and drink industries, not only nationally but internationally. We need to be brought into the planning process and to know when something is happening so that we can maximise the benefits from it.

The Convener: I thank everyone for their contribution to what has been a very useful session.

“Brussels Bulletin”

12:19

The Convener: The next item on our agenda is the “Brussels Bulletin”. Ian Duncan has spent quite a bit of time on the common agricultural policy in this bulletin, so it is a shame that Ted Brocklebank and Jim Hume are not here to benefit from it. Do colleagues have any points on the bulletin?

Bill Kidd: I was previously on the Equal Opportunities Committee, where I was the disability reporter. I note from the bulletin that a new, 10-year disability strategy has just been published.

The Convener: Are you looking at page 5?

Bill Kidd: There is information about the strategy’s publication on the front page and there is more detail on page 5. I am not sure whether we have to catch up on issues or whether we could contribute to the European strategy, which has been published. There is bound to be some crossover, and the Equal Opportunities Committee might benefit from receiving the strategy.

The Convener: We send the bulletin to the Equal Opportunities Committee, but given your experience as a reporter we should perhaps write to the convener to highlight the issue and ask whether we can do anything to assist.

It occurred to me that the European Union Bill has been introduced in the House of Commons. I have not had an opportunity to look at it in detail, but given that we are promoting our early warning initiative on how we consider issues on behalf of the Parliament, it might be useful if the clerks had a quick look at the bill and reported back to us at our next meeting. For example, it occurs to me that if a referendum were to be called on a matter, it might be useful to have data published at European parliamentary level, which in Scotland would mean at Scottish level. I think that there would be interest in making information available at sub-state level in Wales, Northern Ireland and Scotland. I have not gone into detail, but we are probably the only committee that would consider the bill, so we should perhaps consider whether anything should be drawn to the attention of the Parliament or a parliamentary committee. If there is an issue, we could discuss it at our next meeting. Are members content with that?

Members indicated agreement.

The Convener: Do members agree to note the contents of the bulletin? There is much detail on the common agricultural policy, which we will highlight for the Rural Affairs and Environment Committee.

Members indicated agreement.

Single Market Act

12:22

The Convener: Members will recall our discussion on the single market act. Ian Duncan has helpfully provided a paper, which notes that the single market act will comprise about 50 legislative and non-legislative initiatives, many of which will be important to Scotland. In particular, there are implications for local government, the Convention of Scottish Local Authorities and the Local Government and Communities Committee. I suggest that we write to the committee and COSLA about the analysis that we have undertaken and open the door to our further involvement if we are needed. Are members content with that approach?

Members *indicated agreement.*

European Union Budget Review

12:23

The Convener: Members will recall that the committee published a report on our inquiry into the EU budget review. There is a possibility that the Cabinet Secretary for Finance and Sustainable Growth will be able to attend our meeting on 14 December to discuss the issue. Our work was a little ahead of the game. The European Commission has produced a communication on the budget. In the Parliament and in the Conveners Group we have talked a lot recently about how we produce reports but do not do enough follow-up work to ascertain whether anyone is following through on the recommendations. Given that the cabinet secretary might be available—we can double check—and that the Commission has published a proposal, it might be useful to speak to the cabinet secretary and his team about taking our work forward. Do members agree?

Members *indicated agreement.*

Europe 2020

12:24

The Convener: Item 6 is an update on Europe 2020. We have received the Cabinet Secretary for Finance and Sustainable Growth's positive response to our committee report, which is included in the briefing paper. If he comes to our meeting on 14 December, we can follow up on that.

Patricia Ferguson: Convener, you will recall that I mentioned that I was to go with the Local Government and Communities Committee to Brussels, where we had interesting meetings, particularly with the directorate-general for employment, social affairs and equal opportunities. It was made clear to us that the UK is the only country that will not set Europe 2020 targets and that it appears to have no intention of becoming involved in that. It would be interesting to know the Scottish Government's understanding of the UK Government's position and what discussions have taken place.

In the same meeting, we were made aware that the European Commission sought a response from Scotland to the Commission's consultation on the future of the EU's cohesion policy. We talked about whether the Scottish Government would respond and what the timeframe for that would be, which was interesting.

The meeting became even more interesting when the Commission officials told us that they had recently had a joint meeting with the National Assembly for Wales and the Welsh Assembly Government to discuss many of the issues. Those officials contrasted that

"with ... a comparative 'lack of engagement' by Scottish actors".

All that will be in the Local Government and Communities Committee's report, but I thought that it was worth drawing to members' attention, in conjunction with the paper that we are discussing, because I am now not 100 per cent sure whether the paper tells the whole story.

The Convener: What you say is interesting. We can follow up those issues with the cabinet secretary when he appears before the committee.

As members know, we produced a report on our Europe 2020 inquiry, which we forwarded to the Commission. From a parliamentary perspective, we have covered the subject. In the report, we spoke about the importance of targets. The committee has taken a clear view, so that is definitely worth following up.

Patricia Ferguson: European officials were aware of the committee's response.

The Convener: That is good. Those points are important and we will take them forward when the cabinet secretary appears before the committee.

Are members content to agree to invite the cabinet secretary to give evidence on the budget and to raise Europe 2020 with him at that time?

Members *indicated agreement.*

Scottish Parliament European Strategy

12:27

The Convener: Item 7 is an update on our European strategy. The debate in the chamber on our proposals will take place next week—it is coming round quickly, is it not? We have agreed the motion. I took the issue to the Conveners Group and I am happy to report that the group was content with how we are progressing matters, with the debate in the chamber and with the motion that we propose. We are all set.

As members know, after the Parliament has debated and agreed to the motion, the intention is to undertake a pilot project, which will influence our legacy paper. Changes to standing orders might be required, but all committee members are aware of that information, which is in the update.

Do we note the progress towards implementation?

Members *indicated agreement.*

The Convener: I close the public part of proceedings and ask members of the public to leave.

12:28

Meeting continued in private until 12:35.

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