



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 10 January 2012



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**EUROPEAN AND EXTERNAL RELATIONS COMMITTEE**

**1<sup>st</sup> Meeting 2012, Session 4**

**CONVENER**

\*Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

**DEPUTY CONVENER**

\*Hanzala Malik (Glasgow) (Lab)

**COMMITTEE MEMBERS**

Helen Eadie (Cowdenbeath) (Lab)

\*Annabelle Ewing (Mid Scotland and Fife) (SNP)

\*Bill Kidd (Glasgow Anniesland) (SNP)

Jamie McGrigor (Highlands and Islands) (Con)

\*Aileen McLeod (South Scotland) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Neil Findlay (Lothian) (Lab) (Committee Substitute)

**CLERK TO THE COMMITTEE**

Ian Duncan

**LOCATION**

Committee Room 2



## Scottish Parliament

### European and External Relations Committee

*Tuesday 10 January 2012*

[The Convener opened the meeting at 14:00]

### Decision on Taking Business in Private

**The Convener (Christina McKelvie):** I welcome everyone to the first meeting in 2012 of the European and External Relations Committee. I request that all mobile phones and any other electronic devices be switched off, as they interfere with the sound equipment. Helen Eadie has sent her apologies, as she has another engagement. I welcome Neil Findlay, who is substituting for her. Jamie McGrigor has been held up and will join us later.

Agenda item 1 is consideration of whether to take items 4 and 5 in private. Item 4 is our draft approach to the next phase of the inquiry into horizon 2020, and item 5 is a report from the committee's round-table discussion of European Union structural funds, which was held on 13 December. Is the committee agreed to take those items in private?

**Members indicated agreement.**

## Scotland Malawi Partnership

14:01

**The Convener:** Agenda item 2 is a paper and an update from the Scotland Malawi Partnership on the work that it does in Malawi. I advise the committee that I am a member of the Scotland Malawi Partnership. The recommendation is that the committee may wish to seek views and an update from the Scottish Government and any other relevant organisations. I invite committee members' comments and views on the Scotland Malawi Partnership paper.

**Annabelle Ewing (Mid Scotland and Fife) (SNP):** Happy new year to you, convener. I apologise for being one minute late. I have read the comprehensive report from the partnership. It congratulates the Scottish Government on its close working with the Department for International Development and the Foreign and Commonwealth Office over the past 12 months. Indeed, it congratulates the Scottish Government on the model of development support that is provided. The partnership also calls for increased investment and I wonder whether you have any further information on the scale of the increased investment in corporate governance that it is calling for.

**Hanzala Malik (Glasgow) (Lab):** What Scotland does overseas is very important. The first time that I realised the importance of engaging overseas was when we were bidding for the Commonwealth games in Sri Lanka. Many representatives from around the world were quick to point out that they did not know Nigeria from anywhere else but they knew Scotland because we were always there when they needed us. It is an important accolade for Scotland that we are known across the world for our hospitality and friendship. This is an example of the work that we have done overseas. We should continue with it and consider ways of encouraging the provision of additional resources.

**Bill Kidd (Glasgow Anniesland) (SNP):** The report is an extremely comprehensive and well-written document. I knew very little about the political circumstances in Malawi. A great deal is happening in the world and the media have to choose what they report, but they have been very quiet on what has been taking place in Malawi.

Would it be possible to ask the Scotland Malawi Partnership to give us regular updates on the political circumstances in Malawi? One or two items in the report are of concern. I am glad that the Scottish Government is maintaining its contact, because I assume and believe, given that we deliver aid through organisations that are based in

Scotland, that the money will get to where it is supposed to go.

I say this carefully, because I do not want to say anything untoward, but I am a bit concerned about the direction that the Malawian Government might be heading in. The comments in the paragraph on page 7 of the report about current challenges tend to suggest that it is not the kind of Government that we exist under in Scotland. Given that we encourage good governance in Malawi, we must ensure that we are not blind to occasions when the governance is not as good as we might hope.

**Neil Findlay (Lothian) (Lab):** I back up Bill Kidd's comments on that point. It would be remiss of the committee not to comment on such serious issues as censorship and human rights abuses. It is important that the committee gets regular updates on such developments, because they might mean that the Scottish Government has to reassess how it deals with the situation.

**The Convener:** Thanks very much. I echo all those comments. I visited Malawi a few years ago and saw the amazing work that is being done, especially the trading that is done by the food co-operatives. If the Malawian Government has withdrawn licences for people to trade outwith its borders, that will have a serious impact on the economy and on some of the food co-ops; sometimes three or four villages that all did something different had got together to trade among themselves and also to trade outside Malawi's borders. Food security is an issue. Human rights abuses and the economic climate are concerns, but if people are hungry that becomes a much more basic human need.

The Scotland Malawi Partnership sends almost weekly updates to its members, so I get weekly or sometimes fortnightly updates from David Hope-Jones. I am sure that the partnership would be happy to extend that to the committee, but we should write to it and ask it formally to do that. There is always the possibility of having representatives of the partnership in for a chat about the challenges that lie ahead and whether we can address some of them.

One of the main things to take from the paper is that the model that the Scottish Government uses to fund organisations in Malawi is one that the United Kingdom Government is now looking at, because a lot of its funding went from Government to Government and a lot of it was allegedly used in a questionable manner. Perhaps we can learn from that, too. The issue is close to my heart so I will not let go of it on the committee. I agree with Bill Kidd's recommendation that we try to get updates on the political situation and, as Neil Findlay mentioned, the human rights issues.

**Ian Duncan (Clerk):** That is fine. We will also pursue Annabelle Ewing's question about funding and the financial aspect.

**Annabelle Ewing:** Yes. I would like to know what the partnership is looking for.

**Hanzala Malik:** The convener has been out there in the past. We have changed the type of funding that we give, as we now directly fund projects that really require it. I know that some of our services in Scotland have been to Malawi. For example, the fire and rescue service, City Building and many other organisations have done sterling work out there.

It might be an idea for the convener to consider making a visit herself to see exactly what is being delivered. It is important to assess the success rate, so that we can focus on where aid is really required. Things are difficult—we are all facing hard times—so it is important to build on the success that we have had. You identified some success. Let us see whether we can continue to build on that.

**The Convener:** We should investigate that option. I would be delighted to have a trip back to Malawi, but obviously current circumstances might prevent that.

**Neil Findlay:** You could get a single ticket. *[Laughter.]*

**Annabelle Ewing:** That was not very parliamentary.

**The Convener:** We are just at the start of the meeting—he might want to speak further.

We will take forward all those recommendations. I thank members for all their helpful comments.

## “Brussels Bulletin”

14:09

**The Convener:** Agenda item 3 is the “Brussels Bulletin”. Members have a copy—I do not know whether they have managed to look at it. It is a bit more lightweight than usual, which I think is because most folk took a break over Christmas. Things were a bit quieter, but they are hotting up again this week. Are there any comments on the “Brussels Bulletin”?

**Annabelle Ewing:** I was particularly interested to read about the proposals on procurement because, in practical terms, I imagine that those will have far-reaching effects. I have a couple of questions for Ian Duncan. The bulletin refers to the fact that each member state will be required to designate a national independent oversight body. Given the nature of the issues that are covered by the proposed measures, I wondered whether that would include the Scottish Government. Has any thought has been given to that?

That leads to my second question, which is the extent to which Scottish Government officials been involved in discussions on the proposals. Where are we seeking to go with the proposals as far as Scotland is concerned?

**Ian Duncan:** In the past, where there has been a designated national authority at a member state level, there has tended to be a representative authority within the other constituent parts of the UK. If the proposal follows that model, I expect that there would be a role for the Scottish Government as well as for Northern Ireland and Wales.

On the second question, I will write to the Scottish Government to find out the extent of its involvement to date.

**Aileen McLeod (South Scotland) (SNP):** We have already written to the Scottish Government about the public procurement legislation. I had passed Annabel Ewing a copy of the letter that we received from the Government just before Christmas, which sets out its response to that consultation. It might be worth writing to the Scottish Government again on the European Commission’s proposals that came out just before Christmas.

Another point on services of general interest is that this is quite a complex piece of legislation from the Commission. It would be worth having a briefing from the Scottish Parliament information centre and getting the Scottish Government to set out its views on where it sees the issue going.

**Ian Duncan:** You are absolutely right. Even trying to write this summary involved exploring a

package and a half. I will talk to Iain McIver from SPICe about this, and we will bring a briefing to the committee and ask the Scottish Government to provide a briefing, too. There should also be an explanatory memorandum from the UK Government, which we can circulate.

**Hanzala Malik:** I would appreciate the inclusion in the “Brussels Bulletin” of a small section on what Iceland is doing about overfishing. It is important to keep a clear focus on that. Scotland has been penalised time and again on overfishing, while Iceland seems to get away with it scot free. We talk about penalising Iceland, but nothing practical is done.

We need to show our MEPs that we are looking at how they are progressing with the issue. The sooner that we put heat under Iceland the better, because as long as we do not, Iceland will carry on overfishing. It is important to find out what the Government is doing about that.

**Ian Duncan:** We can do two things. We can certainly report on Iceland and overfishing in the bulletin—that is not a problem. You will be aware that the talks on fishing were interrupted over Christmas, but they will be returned to. We can write to the Scottish Government seeking an update on where it is at. I have read comments in the press from the Cabinet Secretary for Rural Affairs and Environment on the issue, so work is clearly being done. I suggest that we write to the Government and that we provide updates in the bulletin as and when developments occur.

14:15

**Annabelle Ewing:** I have another point, which is on the upshot of the benchmark European Court of Justice case on the insurance sector. The background to the case was the issue of female drivers. I note that insurers, including UK insurance companies, have until 21 December 2012 to comply with the ruling. I wonder whether it would be useful to make contact with the Association of British Insurers, which I think is the relevant body, to seek information from it on how its members intend to comply with the ruling. That would be useful information, because the issue impacts on most people, or those who are drivers, anyway. It would be useful to find out what the insurance companies intend to do.

**Ian Duncan:** That is perfectly sensible. We can send off that letter straight away.

**Annabelle Ewing:** Great.

**Neil Findlay:** I do not know whether this is relevant or whether to raise the issue, as I am not a member of the committee, but I have a point on the section in the bulletin on the euro zone fiscal compact. I should not be astonished, but it is

amazing that, given that there are two non-elected Governments in Europe, in Greece and Italy, there is a deafening silence from other European countries. What comments are being made in the European Parliament and throughout Europe on that issue? Is any political pressure being applied to redemocratised those countries?

**The Convener:** You raise an important point that the committee has discussed extensively, particularly when we were on our visit to Brussels. We have a committee meeting planned with United Kingdom ministers to talk about the impact on Scotland and the wider impact on the euro zone. For me, one big issue of concern is that the main casualty is democracy. That is a pertinent issue.

The only issue that I have on the "Brussels Bulletin" is on public service compensation, which is an interesting dimension given some of the figures that came out today on child poverty and the impact that it can have. Currently, the measure applies only to social housing, but it is to be applied to all public services, including transport, health, childcare and social housing services. Water, energy and health services are particularly important given that many people are fuel poor and that, for some people, water rates are a huge issue. We should keep an eye on that and get information on how the changes will impact on Scotland. The majority of the areas on which the changes will impact, such as housing, heating and renewable energy, are devolved.

**Ian Duncan:** I suggest that we explore that in the briefing from SPICe and that, when we speak to the Scottish Government, we get an update on that aspect.

On Neil Findlay's comments, there is a lot of talk on the issue in the European Parliament, but it is not necessarily reported beyond the Parliament itself. There is a lot of angst and frustration, certainly among the Greek members, as you would imagine, and among other members. Events in the European Parliament are not as widely reported as you might expect.

**Bill Kidd:** Energy efficiency is mentioned on pages 2 and 3 of the bulletin. The issue is a wee bit complex because people seem to want things to happen without having to do anything to make them happen, if my reading is correct. The bulletin states:

"A number of EU Energy ministers meeting in Council (24 November 2011) have already made clear that they have serious misgivings about instituting binding targets for energy efficiency".

That was reported in the previous bulletin. However, the rapporteur Peter Liese MEP said in December:

"It should be without doubt that we must achieve the target".

Given that the target is 20 per cent and that the EU is likely to reach only 9 per cent, is it likely that there will be moves to ensure that the targets are met through more binding legislation or agreements?

**Ian Duncan:** You are spot on. The two negotiators seem to have very different strategies to achieve the end. The Parliament and the various committees believe that the targets should be binding because otherwise they will not be met, but the member states are less inclined towards being bound because of the cost commitments that that would involve. I am not exactly sure how we would broker a compromise between somebody who does not want something at all and somebody who wants it. We cannot have partially binding targets, so it is not yet clear how the two groups will come together. It is likely that we will get a greater understanding of whether a compromise is possible in the late spring or early summer. At that point, the issue can be brought back to the committee, as we might have an idea of whether a compromise can happen and, if one is proposed, how it will work.

To be frank, the possibility of achieving the figures does not look good. The longer that we are left without that sort of commitment, the more difficult it will be to achieve the figures in the long term, because we need to start moving now to achieve the 20 per cent target by 2020.

**Bill Kidd:** Is that because countries are pulling up the drawbridge in relation to expenditure on their energy efficiency targets? If so, is it possible that aid might be provided centrally from Brussels, despite the cuts in finances, to ensure that the targets can be met, or will the issue just be kicked into the long grass?

**Ian Duncan:** That is an interesting question. The reason why the efficiency targets are controversial is that they almost require a form of reverse engineering. For example, increasing the efficiency of public buildings carries a cost with it. It is one thing to build in efficiency to new public buildings, but if we think about retrofitting old buildings to make them meet the targets, we can immediately see the costs that suddenly manifest themselves. Many member states have done the calculations and worked out that it is a potentially hefty requirement for them to achieve that.

The EU multi-annual financial framework is under discussion and negotiation, so aspects of support for efficiency might arise. That is possible, although I have not heard anyone mention that people wish to explore the area. It is not impossible that, to achieve the particularly costly targets, greater central investment from the EU



might be seen to be required. That is certainly a sensible thing to say, although whether there is enough money to go round for all the other projects is part of the negotiations.

**The Convener:** Is the committee content to send the "Brussels Bulletin" to the relevant committees?

**Members** *indicated agreement.*

**The Convener:** We move to agenda item 4, which we agreed at the beginning of the meeting to take in private. I thank the members of the public who attended the meeting.

14:22

*Meeting continued in private until 14:43.*



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