



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Thursday 22 January 2015

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE
2nd Meeting 2015, Session 4

CONVENER

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

DEPUTY CONVENER

*Hanzala Malik (Glasgow) (Lab)

COMMITTEE MEMBERS

- *Roderick Campbell (North East Fife) (SNP)
- *Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
- *Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)
- *Jamie McGrigor (Highlands and Islands) (Con)
- *Anne McTaggart (Glasgow) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jacqueline Minor (European Commission)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

European and External Relations Committee

Thursday 22 January 2015

[The Convener opened the meeting at 10:16]

European Union Strategy

The Convener (Christina McKelvie): Good morning and welcome to the second meeting in 2015 of the European and External Relations Committee. I make the usual request that mobile phones be switched off because they interfere with our broadcasting equipment.

The first of the two items on our agenda this morning is the European Union strategy. I have great pleasure in welcoming back to Scotland, but to this committee for the first time, Jacqueline Minor, who is head of representation in the United Kingdom at the European Commission. She will give evidence this morning on the European Commission's work programme.

Welcome to the committee, Jacqueline. I believe that you would like to make a short opening statement.

Jacqueline Minor (European Commission): Yes. Thank you for the invitation, convener. It is a great pleasure to meet the committee formally. I know that you are in constant touch with our office in Scotland, and I take the opportunity to reiterate that it stands ready to assist you with information in any way that it can.

I plan to speak briefly to some changes in the way in which the Commission, in its new formation following the appointment of President Juncker and his team of commissioners, intends to go about business in the next five years. I will then refer briefly to a number of the key initiatives, rather than running through the entire work programme. I have the advantage of having seen the detailed notes provided by your secretariat and the responses to them, and it is obvious that you are familiar with the content of the work programme.

If you cast your minds back to May 2014, you will remember that the European Parliament election slogan was "This time it's different". The question that probably still lingers in people's minds is whether it really is different and, if so, how. In many ways, it has been different. The appointment of President Juncker emerged as a result of the European elections. He was the candidate who was put forward by the political group that emerged as the largest in the European

Parliament, and that argument eventually carried the day in the Council of Ministers.

When we look at his fellow commissioners—the other men and women who have been appointed to serve in his college—we see that there are five former prime ministers, four deputy prime ministers and 19 former ministers. That is a mark of the importance that member states now accord to their representatives and the persons they appoint to the European Commission. The average age is 49, which is younger than in many Governments. In particular, if we look at the vice-presidents—I will come back to them—we see that their average age is 43, which is a significant change from previous Commissions.

President Juncker has made it clear that he intends his Commission to be more political, more top down and more focused. He has talked about being big on the "big things" and "smaller and more modest" on the smaller things. That was in the personal political manifesto that he presented to the European Parliament before it endorsed his appointment; it is a red thread that runs through all the decisions that have been taken so far about the Commission's working methods and it underpins the work programme for 2015.

What does President Juncker mean by being more political, more top-down and more focused? I think that it means that the Commission will address the key challenges for Europe, which are jobs, competitiveness and growth. That is reflected in the 10 priorities that President Juncker put to the European Parliament. I think that it also means—again, I think that we can see this reflected in the work programme for 2015—that the Commission has understood the message that some national politicians have communicated to it and which is probably implicit in the outcome of the European elections, which is that the European Union has become too intrusive in terms of the rules and regulations that it makes and their impact on the daily lives of citizens. I think that there is a determination to address that concern.

How has that been done in the structure of the Commission? There are six vice-presidents and the high representative, who is by reason of their office necessarily a vice-president. Contrary to previous practice, the vice-presidents have a real delegation of powers. In former Commissions, the title of vice-president was mainly honorific and based on seniority, and the main responsibility attached to being a vice-president was to deputise for the president of the Commission should he be absent from meetings. However, we have now seen real power being given to vice-presidents to co-ordinate their areas of responsibility and to lead project teams on key legislative and other initiatives.

We can see that the choice of vice-presidents was dictated by their prior political office: all who were originally nominated were former prime ministers. However, one of those did not survive the hearings in the European Parliament and Commissioner Šefčovič, who is now serving for the second time, was appointed to replace her.

It is also worthy of note that, when the vice-presidents were appointed, the words “for now” were attached to the announcement of their appointment, which carry with them the possibility that at some time in this Commission there will be a reshuffle, which has never been the practice of Commissions so far. There is therefore the interesting prospect that at some time portfolios might change and the overall distribution of files will be reshaped.

One effect of the creation of the vice-presidents is that there are now really substantial portfolios for the other commissioners—the so-called “team commissioners”. With 28 members of the Commission, which becomes 26 once we take out the president and the high representative, it becomes quite difficult to ensure that each of them has a really substantial and serious job. However, their having substantial portfolios is one of the beneficial side-effects of creating vice-presidents and team commissioners.

The project teams are variable, so there are no permanent reporting lines between team commissioners and vice-presidents; the reporting lines will depend on the initiative, because everybody can be drawn into the realm of a particular vice-president for a particular initiative.

I want to emphasise the role of the first vice-president, Frans Timmermans, formerly the Dutch deputy prime minister and foreign minister, who has been given a very special responsibility for better regulation, agenda planning and relationships with national Parliaments and the European Parliament. I think that he will be a key interlocutor for the United Kingdom. Before he was appointed to the Commission, he was very much aligned with views across the political spectrum in the United Kingdom as to the need for change within the European Union.

Frans Timmermans's role will be to ensure that nothing gets on to the Commission agenda that has not been thoroughly impact assessed in relation to its regulatory burden and administrative cost. There have already been changes in how the Commission goes about its impact assessments prior to tabling proposals.

You can see Frans Timmermans's influence in the work programme's shape. There are 23 items on it compared with an average of 129 items over each year of the Barroso Commission. He is very much part of the Commission's thinking on

discontinuity, which is the decision to withdraw up to 80 proposals, and the determination to pursue the refit process, which is the better regulation programme.

In the allocation of portfolios, the prior tradition was that the Commission representatives of countries with an obvious and particular interest in certain policy areas were not given that portfolio. However, a number of commentators have been surprised that Jonathan Hill, the United Kingdom commissioner, has been given responsibility for financial stability and financial markets.

I will pick out one or two significant elements of the programme, although I stand ready to answer questions on anything. On jobs and growth, the most important issue has been tabled—the investment package. The idea is that Commission funds should be used more smartly than has previously been the case. To date, a lot of Commission funding has taken the form of grants and the co-financing of projects. The investment package would make use of that funding to create a guarantee fund to leverage and crowd in private sector investment for key infrastructure and research projects. The plan is to deliver more than €300 billion of growth-heavy, intensive projects.

Other issues, which will certainly appear in the early months of this year, are clearly of interest to the United Kingdom. The digital single market is one such issue. UK businesses have a key role in the online internal market. They have an in-built language advantage because the most-used language on the internet is English. It is very much in the British economy's interests that the digital single market should become a greater reality than it is as present.

In that package, we can expect to see reforms to align copyright rules with consumer expectations. It is quite surprising to many consumers that when they travel abroad they are not able to use the internet in the same way as they can do at home. Famously for Brits, the iPlayer does not work once you leave these shores. The correlative is that, aside from copyright, you need a consumer protection regime that works in the digital environment. The consumer protection rules that offer consumers guarantees when they buy across borders are conceived in terms of tangible goods. We need to think about how they would work for intangible services, such as software, music downloads and so on. There are some infrastructure questions there, too.

In the next few weeks, the energy union package will be tabled. That will consist of a number of things. The document will cover the energy union as such, with a focus on energy security and how we will ensure that the European Union retains its autonomy or at least secures as

far as possible its autonomy in energy. It will also relate to the completion of the internal market, decarbonisation, better energy efficiency and investment in research and development of alternative energy sources.

Work will press on with the single market. It will not necessarily be legislative, but there might be some selective legislative proposals in relation to business services. Again, that is an area in which the UK has significant interest given our service-based economy.

10:30

Lord Hill will be very prominent in the capital markets union. Having had five years of restructuring and re-regulating the financial markets, how can we ensure that they work to support the real economy? How can we connect the capital that everyone says is available within the European Union with the businesses that need it to grow and to scale up? I think that we will be seeing a consultation document on that around Easter.

Trade is also a British priority and there will be a big push to conclude the discussions and negotiations on the transatlantic trade and investment partnership. You will have seen that last week, in a bid to encourage transparency, the Commission released documents that encapsulate all its negotiating objectives and some of the draft texts that it has submitted to the American side. Later last week, it also released the results of the consultation on investor-state dispute settlement, which has become a contentious issue in the context of TTIP.

Those are just a few highlights. In so far as I can, I will be happy to reply to questions on the work programme or any more general questions that you might have on Commission policy and working methods.

The Convener: Thank you. That was a very detailed opening statement. The committee has been taking a keen interest in many of the issues you mentioned, TTIP being one.

What kind of influence do you foresee the current political make-up of the European Parliament having, and what measures is the Commission looking at taking to ensure that any political influence is positive and that it enhances the Commission's work programme rather than holding it back?

Jacqueline Minor: The composition of the Parliament changed as a result of the elections. We have a number of parties and political groupings—perhaps the most neutral way of describing them is edge parties—that have not, so far, been of the mainstream. It is a little early to

speculate about the impact that they will have in practice on the way in which the Parliament works.

There are two schools of thought. One is that it will make the work of the Parliament more difficult because there will be less party discipline. In the previous parliamentary session, it was normally possible to assemble a majority for a legislative measure by accumulating the support of one of the two largest political groups—the European People's Party or the socialist group—and the swing group in the middle, the European Liberals. It is not so clear that that will be a way forward during the new parliamentary session. Certainly the first signs are that it will be difficult to assemble majorities. In last week's vote on the work programme, it was not possible for Parliament to pass a resolution because there were two conflicting blocking minorities.

On the other hand, when it comes to t codecision legislative work, the experience of the Parliament has always been that it moves forward as a body largely by consensus. Detailed work in the committees often results in an overwhelming vote of the committee or compromise amendments on which different groups come together. That may not always be optimal for drafting and legislative clarity, but it progresses the legislative procedure.

The Commission also proposes the conclusion of an interinstitutional agreement with the Council and the Parliament to enable more forward planning of the legislative agenda so that the member states in Council and in the European Parliament, represented by its bureau, would agree with the Commission at an early stage what the legislative priorities were and make the parliamentary time and resources available to ensure their rapid progress through the legislative procedure.

The Convener: The political make-up of the European Parliament will be watched with interest across all member states—quite possibly more so in the UK and Scotland. How big an impediment would a campaign for an in/out referendum be on the UK's position in the European Union? I know that that is a very political question but, against the backdrop of the more diversified—to be diplomatic—political make-up of the European Parliament, what additional impact would a campaign for a referendum have on the programme?

Jacqueline Minor: The Commission is entirely neutral on whether a referendum is desirable or not. That is a matter for the British Government and the British people, and the Commission would of course respect the democratic expression of their views.

The Convener: That sounds very familiar.

Jacqueline Minor: It is a well-honed phrase.

In practical terms, we first have to know what reforms a British Government would seek before returning to put the question to the electorate in the form of a referendum. The Prime Minister has made various statements in various ways as leader of the Conservative Party, but we have not yet—for understandable reasons—seen a detailed negotiating agenda.

The next question is: how many of those reforms are already under way? I have referred to a number of things that have appeared in some of the references to reform. Those include completing the digital single market, progressing with energy union and external trade policy. Some of them require legislation, and some do not. If evidence of legislative progress is required, that links back to your earlier question about how effective and efficient the institutions will be in their new composition.

The big question, of course, will be whether the British Government will seek treaty change. That is not an easy thing to achieve at European level. It requires a constitutional convention, which normally takes some time. The Lisbon treaty provides for simplified procedures for minor changes to the treaty, but significant change would have to be ratified by all the member states according to their normal parliamentary procedures and in some of the member states by referendums. That is not easy to achieve in the short term.

It would be partly the European Parliament and partly the other national Parliaments that would have a say.

The Convener: I shall let that one hang, and I shall turn to my colleague, Jamie McGrigor.

Jamie McGrigor (Highlands and Islands) (Con): My first question is to do with the priorities outlined by Jean-Claude Juncker, who stated:

“If Europe invests more, Europe will be more prosperous”.

He also said:

“The Investment Plan we are putting forward today ... is an ambitious and new way of boosting investment without creating new debt.”

How can you invest more without increasing debt?

My second question is: how will the overarching policy, particularly on broadband, impact on Scotland? I represent the Highlands and Islands of Scotland, and I have to tell you that, in various parts of the region, broadband is practically non-existent. I believe that Slovenia, for example, has far better connectivity. How can we in the Highlands and Islands gain something from the overarching policy on broadband?

Jacqueline Minor: When President Juncker talked about investing more without increasing debt, he was obviously referring to public debt and the need for fiscal consolidation. The investment package is posited on a better use of available funds. The Commission typically has used those parts of the European budget at its disposal to co-finance by way of grant. With the European fund for strategic investment, it plans to make use of the funding at its disposal, and some of the funds that are available to the European Investment Bank, to fund a guarantee. The guarantee would then leverage in private sector investment to projects that would otherwise not have found investment from the private sector.

The idea is that there is a guarantee fund of €8 billion invested from European funds, which leverages up to €16 billion of guarantee on a double basis. We deposit €8 billion but it becomes a €16 billion guarantee, and the remaining €7 billion is from the European Investment Bank, so there is a €23 billion guarantee fund. On the basis of prior experience of the European Investment Bank, we believe that that will enable the Commission to secure private sector investment of about €315 billion, which will then be invested in eligible projects. That could be infrastructure projects, such as transport, broadband or energy projects, that would not have secured investment from the private sector if it had not been for the guarantee or investment fund taking the risk of first loss.

Decisions on which projects to fund will be taken not by the Commission or by bureaucrats but by investment experts. It will mobilise the expertise that the European Investment Bank already has in that kind of investment procedure.

That is a new fund, but it does not have an impact on existing EIB funding, which is already available for large infrastructure projects, and it will not have a direct impact on regional funding or on the connecting Europe facility overall. There will be a number of ways in which the Highlands and Islands will be able to access funds to invest in upgrading broadband.

Jamie McGrigor: My next question is on the obvious immediate difficulties facing the EU generally. One of them must be the upcoming Greek elections and the possible result, and another must be the high dependence on Russian energy and gas. With the present relationships, given the Russian expansion into the Ukraine and the difficulties there, we are facing a situation whereby the tap could be turned off. Does the Commission have a kind of COBRA committee that discusses those relevant and topical issues? When does it discuss them? Are the discussions made public? What is plan B on both the issues that I have raised?

10:45

Jacqueline Minor: On the Greek elections, we must wait and see what happens, but it looks likely that Syriza will win. Under Greek parliamentary law, it will almost certainly have to go into coalition with smaller parties. Interestingly, the smaller parties PASOK and To Potami have both made it a condition for entry into coalition with Syriza that Greece remains a member of the euro and the European Union.

My response to Mr McGrigor's question is not unlike that to the question that the convener posed in that, until the Syriza Government is in power and has made clear what its intentions are, it is difficult for the Commission, the European Central Bank or, indeed, the International Monetary Fund to respond to any demands. However, the Commission stands ready to discuss with the incoming Greek Government the ways in which it can satisfactorily complete its programme and the ways in which it might need further assistance and the terms on which that assistance would be provided by the troika.

Obviously, the Commission is keeping a very close eye on what happens in Greece, but I do not think that it has anything akin to the COBRA committee in preparing its response in advance of the outcome of the elections. There are regular meetings between Commission and Greek officials, and the Greek Administration continues its programme of structural reform to reduce the size of the public sector in Greece. This year, Greece is for the first time on course to produce a structural surplus. It is projected to have a significant structural surplus in 2015, although that might change with the incoming Government. However, some of the signs were rather positive at the point when the election was called, so we will have to see what happens.

On relations with Russia and energy security, Vice-President Šefčovič was in Moscow last week talking to the Russian authorities. The Commission monitors very carefully the winter package that was put in place to assure the Ukraine of continued gas supplies during the season. Overall, that has worked fairly well. The tap has not been turned off and supplies have been maintained. There has not been a lot of tension developing around that package.

The question is whether a summer package has to be put in place with some funding by which the European Union guarantees that Ukraine will meet the backlog that has built up in payments for energy to Russia, or whether arrangements between the two countries will revert to normal contractual arrangements. That is still an open question, and it is being discussed in a tripartite way.

On the longer-term question of energy security, there is no silver bullet. It will be painstaking work to ensure that interconnectors are built to enable gas and electricity from other sources to reach those parts of the European Union that are at present heavily dependent on gas and oil coming from the Russian Federation.

A key issue for the forthcoming energy package will be the creation of a southern pipeline, now that the south stream is no longer on the agenda, to bring in gas and oil from the middle east to the south-eastern European countries.

The package's other measures include connecting countries that have lots of renewable energy, which can be in the south or the north, depending on the renewable source, with countries that are heavily dependent on gas and coal-fired electricity generation, by building the interconnectors that enable transport of renewable energy in the form of electricity. There are also measures on promoting energy efficiency.

Commissioner Šefčovič was in London on Monday. He clearly is very enthusiastic about better ways of heating, for example. Community heating projects work very well in Scandinavian countries and some of the Baltic states, and if that experience could be extended to other member states it might reduce reliance on expensive and vulnerable energy sources.

Jamie McGrigor: I do not suppose that Greece is that worried about heating. Thank you very much.

The Convener: Hanzala Malik has a quick supplementary question.

Hanzala Malik (Glasgow) (Lab): Thank you for being here today, Ms Minor. My question is on the energy crisis that we face in Europe. Is it not the case that we are looking at Algeria to plug the gap for gas, if push comes to shove?

Jacqueline Minor: We are also looking at ways in which gas and solar-generated power could be brought across the Mediterranean. The big issue that the EU faces is its dependence on single sources of energy. Diversification will make us more secure and there are two ways of diversifying. One is to diversify internal sources by improving renewables generation in the member states. In some countries, the energy mix includes nuclear and shale. That is one pillar. We must ensure that, having generated energy internally, we have optimal ways of sharing it. Some countries have a surplus and others are dependent on imports, and we do not have the interconnectors that enable surplus to be directed to the countries that need it and could make good use of it.

We must also diversify our external energy sources, which means looking to north Africa and looking at liquefied gas, which can be brought a much greater distance from the middle east. That would require building ports in Spain and building the interconnectors up through the Iberian peninsula to France and the heartland.

Hanzala Malik: I asked the question because I wanted to know whether you were looking at reducing the threat of sole dependence on Russia. I just wanted to know whether we have a bit of breathing space. It is good to know that there are alternatives and that we are exploiting them.

Jacqueline Minor: Absolutely.

Roderick Campbell (North East Fife) (SNP): I have two questions that are very short, I hope, and one that is a wee bit longer. I hope that that is okay, convener.

Priority 5, which is

“A Deeper and Fairer Economic and Monetary Union”,

refers to

“reinforced rules against money laundering.”

I appreciate that the programme is just for one year, but there does not seem to be much happening in relation to what I think is the fourth money laundering directive. Are you able to give me an update on progress on that?

Jacqueline Minor: To be frank, I am not, but I will find out the answer and provide you with it in writing.

Roderick Campbell: I will move on to my second brief question. Under the heading

“An Area of Justice and Fundamental Rights Based on Mutual Trust”,

the work programme states:

“The European Commission is committed to equality of opportunity for people with disabilities, in full respect of the UN Convention on the Rights of Persons with Disabilities.”

What will that mean in practice?

Jacqueline Minor: There is the proposal for disabled access, but there is also very much a mainstreaming commitment so that, in everything that is done, we look at ways in which legislation and the regulatory framework can ensure that disabled persons can enjoy the same benefits and that, for example, technical standards are developed in a way that enables disabled persons to make use of products and that ensures that products are safe for their use.

We will also see more work done on access to the workplace—physical access as well as opportunity—and non-discrimination in employment rights. A raft of issues will be coming forward.

Historically, the Commission and the European Union began by looking at discrimination on the ground of nationality. That then extended to a lot of work on gender discrimination, and now the Commission is going to deploy that expertise to look at discrimination on the ground of disability, but also to promote new technologies. A lot of work will be done in the horizon 2020 programme to look at ways of providing assisted living so that disabled persons can live independently in the community.

Roderick Campbell: My final question is on labour mobility. It is my understanding that the present UK Government has concerns about free movement of labour. The part of the work programme under the heading

“A Deeper and Fairer Internal Market with a Strengthened Industrial Base”

states:

“It will be important to support labour mobility, especially in cases of persistent vacancies and skills mismatches, including across borders, while supporting the role of national authorities in fighting abuse or fraudulent claims.”

Will you add to that and tell us a bit more about where the Commission is going with the issue?

Jacqueline Minor: The Commission has always said that the free movement of persons is one of the four pillars of the single market, alongside the free movement of goods, freedom to provide services and the free movement of capital.

It is evident—the Foreign Secretary acknowledged this in a speech yesterday—that some member states are confronted by serious skills shortages. The economic theory underpinning the free movement of persons was always that skills shortages could be met by people with the necessary qualifications moving from one member state to another. That is reflected in the work programme. President Juncker has made it clear on a number of occasions that, from the Commission’s perspective, free movement of persons is a fundamental right and a fundamental value to which European citizens attach much importance.

Having said that, the Commission recognises that any abuse should be confronted and pursued with vigour by the member states. I think that we are going to look at the legislation to ensure that the provisions enable the member states to tackle abuse, and also perhaps to put in place measures by way of information sharing and comparing best practice that enable abuse to be tackled more efficiently and effectively.

There is a separate issue about changes that the United Kingdom Government might want to see in the substantive provisions that govern the co-ordination of social security systems, which the

Commission would not necessarily characterise as addressing abuse. I think that they are parallel workstreams. I go back to my previous answer that the Commission needs to see detailed proposals from the British Government before it can give a detailed response.

Roderick Campbell: Okay. Thank you.

11:00

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I have two questions. The first is on the digital single market and the second is a more general question about how Europe aims to reconnect—or connect—with its citizens.

Mr Juncker tells us that if we create this

“digital single market, we can generate ... €250 billion of additional growth ... creating hundreds of thousands of new jobs”.

That is certainly being big on the “big things”, as you said in your opening remarks, Ms Minor. We also know that the infrastructure budget for things such as broadband, which was mentioned by Jamie McGrigor, was slashed from about €9 billion to €1 billion. My question is: how can we have one if we do not have the other? To make an analogy, I think that it is a bit like having service stations all over Europe but poor roads linking them. How can we have that level of investment in the digital single market if we take our eye off the ball on the whole infrastructure that delivers and drives it?

Jacqueline Minor: You are right in that some of the money to create the guarantee fund, which I referred to earlier in the context of the European fund for strategic investments—or EFSI—was taken from the connecting Europe budget. However, that does not necessarily mean, and it is certainly not the Commissioner’s intention, that there should be less funding available for digital infrastructure—essentially, broadband. The Commission’s view, based on its observation of the market, is that a better use of that money would be to bring in private investment for digital infrastructure rather than to fund digital infrastructure directly by way of grants. You get more bang for your buck—to use the vernacular—if you use it by way of guarantee than you do by way of direct financing.

There is also funding left in the structural funds, which can in certain circumstances be used for infrastructure, including local broadband. However, the Commission’s view is that digital is an area that attracts private investment. There might be some infrastructure that, because of its nature—it might be on the periphery, serving rural communities—is not as commercially attractive to private investors as cabling a big city would be. However, a little assistance—particularly first loss assistance, where the European Union’s

guarantee fund would take the first loss—will be enough to bring in the private investors.

Willie Coffey: The risk of leaving it to the market, of course, is that remoter communities, not just in Scotland but across Europe, are always the last to get services because the rate of return is not there. We have seen that in Scotland, and it can probably be seen elsewhere. Given what you have said, do you think that there is a counterbalance to that to ensure that such digital exclusion does not get worse?

Jacqueline Minor: EFSI is trying to improve the return on investment or to adjust the risk analysis that an investor carries out before committing funds to reduce the downside risk for the investor and leave them certain that any loss will be incurred first and foremost by the guarantee fund and not by private funds. We think—or, I should say, people who are cleverer than I am think—that that will be enough to push the market in the right direction. That is just one strand; other strands of more traditional funding remain.

Do you want me to answer your other question?

Willie Coffey: Yes. It is about how you plan to connect with the ordinary citizens of Europe. In my view, the European Parliament’s website and indeed the Commission’s public-facing website are not exactly aimed at the ordinary citizen. They look as though they were designed by officials and aimed at academics.

The committee has said on a number of occasions that Europe needs to think about how it talks to its citizens and that it needs to engage with them more appropriately. Do you see a need for that to counter the negative, anti-European coverage that we get in the media? In fact, that coverage is almost exclusively negative, particularly in the UK. Do you not think that you have an opportunity to communicate with the public in a way that makes it easier for ordinary members of the public to access the work that you do?

Jacqueline Minor: The Commission could certainly do better when it comes to communicating. We are not state of the art by any means.

However, there are a number of considerations. We can do better at making the information more easily and intuitively accessible to anyone who visits our website. There is an awful lot of information on the website, and often the problem is finding the page that gives people the detail that they want. That is frustrating not only for specialists, business associations, non-governmental organisations and national politicians, but for Commission officials who are trying to find the page on the Commission’s

Europa site that they want to direct people to. Work is under way to improve that.

On communicating more generally, we have to be realistic. There are 30 or so people involved in that in London and four or five here in Edinburgh. We have to think how we can use those resources to make the most impact in conveying information to the British public and improving their understanding and knowledge. Quite often, we can best do that through intermediaries, partly because the Commission is not a trusted voice in British political discourse—we must take that as a given, at least for some time—and partly because other voices are more familiar to the British public. If a British or Scottish business association or NGO says something about Europe, it can talk in terms that the public will better understand, because it knows the context and it knows its audience. As a result, it is more likely to be believed.

We cannot change the media, and we would not want to do so. They are perfectly entitled to take their different editorial lines. We actively seek to provide them with information to correct any inaccuracies and to rebut what we think is unfair comment—which keeps my four press officers very busy.

I have two more general points to make. The Commission needs to take measures to restore trust. One of the things that it is doing as part of the work programme is to be more transparent. All commissioners, their chiefs of staff and directors general, who are the most senior permanent officials, are going to open their diaries completely, which will make it possible for people to find out about all the meetings that they have, when and with whom they have them, and how long they last. In addition, their commitment to meeting only organisations that are registered in the transparency register means that a member of the public will be able to see what the organisation is. They will be able to work out from its name what its main interests are, but they will also be able to go to the transparency register to find out what it has declared there.

Europe stands or falls on its record of competence. It must be able to demonstrate to the citizen that it is doing the things that are of most concern to the citizen such as securing employment now and in the future; ensuring that European economies return to prosperity; looking at the big challenges that confront us, whether on the environment when it comes to energy or in relation to our ageing population; and protecting the rights of tolerance, respect for minorities and—very relevantly at the moment—freedom of expression and association, which Europeans have always felt to be crucial.

Willie Coffey: I accept and agree with all that, but 500 million citizens in Europe are not getting that message. They are certainly not getting it from your website or the European Parliament's website, which are, frankly, boring. The main feature on the European Parliament's website today asks

"Are your sausages made with horse meat?"

Your website just has documents flung all over it. If the Commission thinks that that is the way to engage with the public, you need to step up a wee bit and engage more directly with the messages that you want to give people.

Jacqueline Minor: We engage through social media, as well. Actually we have just started a big project in London to completely revamp our website. That is a promise. I hope that the website will be less boring the next time that I come to the committee. I will try to ensure that.

Willie Coffey: Thanks very much.

Anne McTaggart (Glasgow) (Lab): Good morning, Ms Minor. I have two quick questions.

First, which areas of the work plan are of particular interest to Scotland?

Jacqueline Minor: Obviously, the energy union is important to Scotland, given the nature of the Scottish economy, and the capital markets union is also important because of the strong financial services presence in Edinburgh. The youth guarantee is important to Scotland because, although it works through national legislation, it is obviously of great importance to young people who are perhaps coming out of education without the immediate prospect of finding a job.

The digital issue is also important to Scotland. As some of your colleagues have said, digital enables regions that are not at the heart of Europe to have access to all 500 million consumers in the European Union. It also enables very small businesses—even microbusinesses—to have a shop window that the entire world, or at least those 500 million consumers, can see. That is a way of enabling smaller companies to move into exporting their goods and services very quickly.

Anne McTaggart: Thank you.

Secondly, how do you envisage some of the work programmes that you have mentioned helping to deliver the Europe 2020 goals?

Jacqueline Minor: Revising the Europe 2020 goals is one of the work programme items. A mid-term review of the Europe 2020 goals was always planned. I do not think that there will be a fundamental change in the long-term objectives: we are still heading in the same direction of sustainable, smart and inclusive growth. I think that the European Commission may reduce the

number of indicators. It may also try to correlate its work programme with the Europe 2020 goals and try to fit in the things that it has decided to do. As I said at the beginning, they are posited very much on President Juncker's personal manifesto. The Commission will adjust them to fit the Europe 2020 template.

With Europe 2020, it is almost a matter of steady as she goes, although we know that we are not in the place that we would like to be in at the halfway point. All we can do is continue to strive to get closer to those goals.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): I am slightly concerned about that answer, because I would have thought that the Commission should be driving towards the 2020 vision, which envisages things such as full employment, and that the work programme ought to be engineered to deliver that. That seems to me to be the logical way to go about things.

The other aspect that I want to query is how joined up the work programme is. Improving energy security and creating jobs and growth are eminently linkable. You laid out the €315 billion-worth investment programme—it is a big sum of money, which could be focused on Europe-wide strategic energy initiatives. That would create jobs. Is that part of the big picture? Is that what we are aiming to do over the next few years?

11:15

Jacqueline Minor: In relation to your initial remarks, I must apologise because I was perhaps not as clear as I ought to have been in replying to the previous question. I had intended to convey that the Commission's priorities are very similar to those of Europe 2020; they are just formulated according to a different template. The work programme's whole thrust is to concentrate on matters that will drive job creation, growth and competitiveness. In that regard, there is no difference between the two sets of objectives.

On how joined up the work programme is, I return again to the Commission's structure, which is very much intended to be more joined up, so that the whole policy agenda is driven from the top down by the college. It is the college members—the commissioners—who decide the policy direction and ensure that it is not being driven by the services.

I would not say this, but some people say that officials have their own agendas and drive forward proposals on which they have been working for a long time. I am sure that that never happened in the Commission, and it certainly will not happen in future.

On the way of working, the aim of the interlocking project teams is to ensure that there is a read-across from each of the big initiatives to the others. For example, the energy package will have a list of the key infrastructure proposals that it is planned to fund with the regional fund—the connecting Europe facility. That is parallel to infrastructure projects that might be eligible for the European fund for strategic investments.

There is already a list of pipeline projects that will be EFSI funded. They are, I think, grouped together under energy, digital infrastructure, research and development, and transport infrastructure. Being on the list is not a guarantee of funding through EFSI; equally, not being on the list does not mean that a project will not get funding. However, the list is indicative of the kind of projects that EFSI is intended to drive financing towards.

The short answer to your question is that joining up policies is definitely one of the things that the Commission wants to improve. How the Commission has been set up is conducive to doing that.

Adam Ingram: The other aspect to joining up various initiatives is delivering a strategic direction. Let us take energy security as an example. Scotland is important to Europe given the North Sea and our renewable resources. I would expect that Europe would be looking to invest money in Scotland. With the North Sea oil fields, we have all the infrastructure that we need for a demonstration carbon capture and storage project, and investment could also be made in wave and tidal power. However, the feedback that we are getting is that the Scottish Government is being limited in the investment that it can make in the new technologies because of European state aid rules.

Can we expect over the next few years a different approach to the development of renewables technologies and the ability of the Scottish and United Kingdom Governments and others to invest in future technology that will deliver clean energy?

Jacqueline Minor: One of the five dimensions of the communication on the energy union, which is likely to be tabled in the next month or so, will certainly be research and development. It will look at ways in which we can encourage more investment in research into clean and sustainable technologies. It is premature to speculate about whether it will look at the existing state aid rules but, from having accompanied the commissioner during discussions in London earlier in the week, I know that he is very enthusiastic about carbon capture and storage. He feels strongly that, in the run-up to Paris, for example, Europe has to show leadership in reducing greenhouse gas emissions. One of the ways it can do that is by demonstrating

that clean and green technologies are helpful for growth and future competitiveness.

The message has been heard in Brussels. You will want to examine how that translates into the policy documents and make your views clear.

Adam Ingram: In terms of—

The Convener: You will have to be brief. We are really pushed for time.

Adam Ingram: Is there a bit of pork-barrel politics involved in delivering what I was talking about? Does every member state have to get a piece of the action, or is there recognition of the strategic importance of renewables technologies for the whole of Europe so that an individual member state does not need to push the boat out on the issue because it will gather support more widely?

Jacqueline Minor: There is recognition that such projects have to have common European interests and a European dimension. That means that there is not an allocation by member state.

One of the concerns about the ways in which the fund is being set up and administered is that it needs to focus on the viability of and interest in the project, rather than on the overall split of the funds. It needs to be taken away from an intergovernmental perspective and put into a European one.

The Convener: Thank you. As you can see, many aspects of the work programme are of interest to individual committee members as well as to the committee overall. I know that some members wanted to ask quick supplementaries but we have another agenda item to get through and if we want to get out of here for half past 11, I have to be quite strict. Would you mind if members directed their other questions to you through our clerking team and asked for some written responses?

Jacqueline Minor: I am happy to give written responses. I have not forgotten Roderick Campbell's question on money laundering, so I will make sure I find out about that.

The Convener: He would not allow you to forget it.

Thank you very much. It was a real pleasure to have you at the committee today and we hope that this is the first of many occasions on which you will come to share your wealth of experience and understanding of what this all means for the UK and especially Scotland. I thank you and your team for their on-going support.

You are more than welcome to remain with us in the public gallery as we go through the "Brussels Bulletin".

"Brussels Bulletin"

11:24

The Convener: As members can see, we have less than six minutes to get through the "Brussels Bulletin", so if you have comments, questions or points of clarification, please give me them now.

Willie Coffey: You will recall that at previous meetings some members requested more summary information about the kind of investments that the European Union is making in particular areas. We asked for a wee summary of that to be attached to the bulletin. Will that ever be included in the bulletin itself, or would it be something separate that the committee would have to ask for? It is important that we can find out about some of the beneficial, positive programmes that Europe is driving and delivering for Scotland and for elsewhere. That would be very helpful.

The Convener: That might be additional information, but we can certainly chase it up for you and see what is happening. It might be that the break over Christmas has pushed the timeline on that a wee bit.

Willie Coffey: Thank you.

Jamie McGrigor: Under the heading "Broadband" on page 6, the bulletin notes that

"the UK is head of the EU average across all technology combinations"

but that

"in rural areas the situation is significantly different to the national picture".

I think that that is the point here. It is all very well painting a rosy picture, but the actual facts of the matter are different. What is happening is that little deserts are being created in the UK, particularly in Scotland's rural areas, which then find themselves at a distinct disadvantage, particularly in tourism terms. When telephones were rolled out, every house had one. Why cannot every house have a fibre optic connection?

The Convener: Given the committee's keen interest in the matter, the many times that it has been raised and the Commission's renewed focus on it, maybe we should write to the Commission to ask it to look specifically at the areas that you described.

Jamie McGrigor: What worries me about the present situation is that we run the risk of creating an unfair society.

The Convener: Why do we not raise that specific issue with the Commission?

Jamie McGrigor: All right. I was going to ask if the issue could be included in the questions to Ms Minor.

The Convener: We can certainly do that as well.

Hanzala Malik: That was the question that I, too, had in mind. It was about what advice she could offer us in pursuing the issue. Digital broadband not being rolled out in certain areas is disadvantaging people, trade and industry, arts and crafts, and culture. The fact that the disadvantages are boundless drives home the importance of broadband being rolled out.

It has been said that the broadband companies must make ends meet, but they cherry pick where to roll out broadband and make large sums of money by rolling it out in large cities. That is not good enough. There needs to be a bit of responsibility when it comes to the percentage of broadband that needs to be rolled out in rural areas. We need to put in place a strategy for that. We have talked about the issue for nearly two years now, but I do not see any end to the discussion. We really need to do something about it now.

The Convener: Okay. There are a few elements to that: the UK Government and the roll-out of 3G and 4G; the Scottish Government and its funding and roll-out of broadband; and the European aspect of that. Why do we not write a supply chain-type letter, whereby we seek clarification from the Scottish Government on the progress that it has made on the issue with the UK Government, and therefore the progress that it has made with the EU on it?

Hanzala Malik: That would be helpful.

The Convener: Okay. Are there any more comments on the "Brussels Bulletin"?

Willie Coffey: There is a really good initiative in Scotland to roll out superfast broadband to not only urban communities but Highland and rural communities. However, I am thinking of the issue more in a European context. There is quite a variable picture across European member states in terms of the superfast speeds that are available in each country. I would have thought that the digital single market might have wanted to embrace that much more clearly to level out the situation and lift standards and speeds across Europe. I think that an opportunity has been missed because of the cut in the broadband infrastructure budget in Europe, but I would still like to see a European perspective on the development of broadband.

The Convener: Okay. We have got all of that. Thank you very much.

The next committee meeting will be on 5 February, when we will take evidence from the Deputy First Minister on the transatlantic trade and investment partnership as part of our on-going inquiry into the issue. I look forward to seeing members then, and I thank them for their attendance this morning.

Meeting closed at 11:29.

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