The Scottish Parliament

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

AGENDA

16th Meeting, 2004 (Session 2)

Tuesday 28 September 2004

The Committee will meet at 2.00 pm in Committee Room 1.

1. Declaration of Interests: The new Member of the Committee will be invited to declare any relevant interests.

2. Choice of Convener: The Committee will choose a Convener.

3. Promoting Scotland worldwide - an Inquiry into the external relations policy, strategy and activities of the Scottish Executive: The Committee will hear from—

   As a Panel

   Graham Berry, Director, Scottish Arts Council
   Dominic Hill, Artistic Director, Dundee Rep Theatre
   Shirley Bell, Chief Executive, Robert Burns Federation
   Maureen Sprott, Head of Marketing, Scottish Screen
   Lorraine Fannin, Director, Scottish Publishers Association

4. Scottish Executive’s Response to the Committee’s Report on the UK Government’s proposals on the repatriation of European regional development funding: The Committee will consider the response from the Scottish Executive.

5. Scottish Executive’s EU Office - Annual Report for 2003/04: The Committee will consider the annual report from this office.

6. Deputy Convener’s Report: The Deputy Convener will update the Committee on the—

   Response of the Scottish Executive and UK Food Standards Agency to the Committee’s letter regarding the concerns raised in Petition PE 738 on EU Food Supplements Legislation
Implementation of the Biofuels Directive (2003/30/EC)

7. Remit and functions of the EU’s Fisheries Control Agency: The Committee will consider a paper from the Clerk.

8. Pre- and post-EU Council scrutiny: The Committee will discuss the agendas and information received from the Scottish Executive on the following meetings of the Council of the EU—

Forthcoming Councils
Employment, Social Policy, Health and Consumer Affairs Council, 4 October
Transport, Telecommunications and Energy Council, 7 October
General Affairs and External Relations Council, 11 October
Environment Council, 14 October
Agriculture and Fisheries, 18 October

9. Sift of EC/EU documents and draft legislation: The Committee will consider the latest list of EC/EU documents and draft legislative proposals received for this meeting.

Stephen Imrie
Clerk to the Committee
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The following papers are attached for this meeting:

**Agenda Item 1**
There is no paper for this Item.

**Agenda Item 2**
There is no paper for this Item.

**Agenda Item 3**
BRIEFING PAPER: “Written submissions of evidence for today’s meeting – Promotion of Scotland Worldwide Inquiry”

**Agenda Item 4**
BRIEFING PAPER: “Scottish Executive’s Response to the Committee’s Report on the UK Government’s proposals on the repatriation of European regional development funding”

**Agenda Item 5**
BRIEFING PAPER: “Scottish Executive’s EU Office - Annual Report for 2003/04”

**Agenda Item 6**
Deputy Convener’s Report

**Agenda Item 7**
BRIEFING PAPER: “Remit and functions of the EU’s Fisheries Control Agency”

**Agenda Item 8**
BRIEFING PAPER: “Pre- and post-Council of the EU analysis and scrutiny”

**Agenda Item 9**
Sift of EC/EU documents and draft legislation
EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

BRIEFING PAPER

“Written submissions of evidence for today’s meeting – Promotion of Scotland Worldwide Inquiry”

Introduction

1 This paper contains, in Annex A, the written submissions of evidence (where one has been received) from today’s witnesses. Most submissions received so far for this Inquiry can be seen on the Committee’s homepage within the Parliament’s website:

http://www.scottish.parliament.uk/european/index.htm

Recommendation

2 Members are requested to refer to these witness submissions to assist them in their preparations for the meeting.

Stephen Imrie
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Scottish Arts Council

The arts are an international language. Everyone understands music, dance, visual art, crafts, festivals and their place in a cultured society. The arts speak to hearts and minds and they convey the message that Scotland is a civilised and contemporary country, a confident and cultured nation, which values ideas and culture. The arts give a city a creative buzz and makes people feel good about where they live. This applies not only to Scotland’s rich cultural heritage, but to its vibrant contemporary arts scene.

Scotland is known worldwide for its arts. Our visual artists and theatre companies are welcome internationally. Some of the most famous living Scots are artists: Sean Connery, JK Rowling, Evelyn Glennie, Ewan McGregor and Jim Lambie.

The arts make a hugely valuable contribution to Scotland’s image on the world stage. A nation which achieves in the arts is a nation that has a high level of skills, a good standard of living and a well educated population. This creates a virtuous circle by making Scotland an attractive place to visit, to work and to do business with. In addition, people will be drawn to live and work in a country which exhibits a high level of creative activity. There is a correlation between the density of artists, writers and performers in a city and its economic growth, partly because artists foster the conditions for tolerance, diversity and creativity.

Recent independent research by the Scottish Arts Council shows that nine out of ten adults agreed that the success of Scottish arts and cultural activity gives the outside world a good impression of Scotland (89%) which implies public support for promoting Scotland through its arts and culture.

Artists have seldom been restricted by geographic boundaries. The arts offer a good way of reaching out to other cultures and building bridges and friendships based on mutual interests and shared passions. New technologies such as the internet have created further opportunities for artists to promote their work abroad. For example, many of Scotland’s craft makers live and work in some of Scotland’s most rural areas. These artists are winning international prizes and promoting themselves via the internet. The standard of their work is so highly recognised that the prestigious Schmuck International Crafts Fair held their event in Kilmarnock last year.

How does the Scottish Arts Council work with the Scottish Executive to promote Scotland?

The Scottish Arts Council has, where resources permit, been part of recent cross-agency partnerships supporting the Scottish Executive’s ‘Scotland In . . .’ events. The first of these took place in April 2002 and was called ‘Distilled: Live Scotland in New York’. The Scottish Arts Council collaborated with the Scottish Executive, the British Council, Scottish Enterprise and VisitScotland to present this event. The programme ran for three days and coincided with the Tartan Day parade of pipers and saw a range of contemporary Scottish artists present their work.

The Scottish Arts Council also participated in the ‘Scotland in Sweden’ programme. This year-long programme was completed in spring 2003. During the year we worked with the British Ambassador to Sweden, British Council Sweden, British Council Scotland and the Scottish Executive. Some notable successes included an invitation to participate in the Gothenburg International Book Fair which resulted in Kevin MacNeil being appointed writer-in-residence at Uppsala University. Concerts of Scottish music of all sorts were well-received, as were visual arts and theatre events including the Traverse Theatre’s acclaimed production of Gagarin Way by Gregory Burke. We plan to participate in the Scotland in the Netherlands 2004 programme and the ‘Entente Cordiale’ initiative, but since all costs must be met from within existing Scottish Arts Council budgets, it has regrettably not been possible to take part in other initiatives such as Scotland in Catalunya.

A highly successful recent joint initiative was the Smithsonian Folklife Festival, where the Scottish Executive and Scottish Arts Council joined forces to send artists in music, dance, theatre and crafts to promote Scottish culture on the Mall in Washington DC. The response to this highly prestigious invitation was a gathering of around 100 of Scotland’s best artists, all proud to be cultural ambassadors for their country, and attracting an audience of over 1 million over the two-week period.
The Scottish Arts Council also plays an active part in the Scottish Executive’s Scottish International Forum (SIF). Chaired by Andy Kerr, Minister for Finance and Public Services, its aim is to improve co-ordination and networking between agencies involved in the overseas promotion of Scotland. The Scottish Arts Council has successfully argued, with others, for culture to play a central role in the overseas promotion of Scotland. We also contribute to the SIF website which allows Scottish organisations to access each other’s plans as an aid to planning. In addition, we have participated in planning for the Scottish Executive’s Cultural Portal, presently being managed by Scottish Library and Information Council, which should attract considerable international interest.

Tartan Day is a valuable opportunity for the promotion of Scotland, particularly now that the Scottish-American organisations which drive it are now working more closely. We would be happy to consider supporting Scottish Executive initiatives, but would find it difficult to commit a large annual sum from our present financial and staffing resources.

**How does the Scottish Arts Council work with other partners to promote Scotland globally?**

Previously, the international promotion of Scottish arts was mainly done through the British Council. However, for the past three years the Scottish Arts Council has had its own small international budget. We continue to work with British Council Scotland, Visiting Arts, and other cultural partners on joint initiatives.

We actively encourage an international dimension to the work of Scottish based arts organisations and artists; develop opportunities for international contact between creators, producers, promoters, venues and others; and ensure that the interests of the Scottish arts community are represented at Government and supra-national levels in order to assist in the development of cultural policy.

This year’s national presentation of art from Scotland at the world-renowned Venice Biennale exhibition of contemporary art was a partnership between the Scottish Arts Council and the British Council, with financial support from the Scottish Executive. The work of the three major artists was critically acclaimed and attracted invitations to exhibit at galleries abroad and in London.

We also work with the British Council to run a series of showcases. These give overseas promoters an opportunity to see the work of artists in Scotland and consistently result in invitations to them to tour abroad. The showcase at Celtic Connections and the Provocations showcase at the Edinburgh International Book Festival are examples of successful ‘exporting’ opportunities, and we await the results of the drama showcase for Scottish theatre companies at this year’s Edinburgh International Festival.

The British Council is currently working with Trade Partners UK and other partners (including Arts Councils and devolved administrations) to develop the Creative Export website. This website provides a service primarily to creative businesses, but also contains information from partner organisations relevant to artists and cultural organisations. The Scottish Arts Council has contributed financially to the development of this site.

VisitScotland acknowledges that cultural tourism is immensely important: the international reputation of the Edinburgh Festivals bears testimony to that. VisitScotland figures show that over half of all visitors to Scotland take part in cultural activities while here, and we have conducted joint research and a pilot project on traditional music. We are in discussion with VisitScotland about product development, research and marketing as well as new initiatives such as using music to promote Scotland as a tourist destination. Similarly, the Scottish Arts Council is working with Scottish Enterprise on the international promotion of the creative industries.

**What successes have there been?**

Scottish-based artists or organisations regularly tour and exhibit abroad. There are numerous examples of these projects, including:

**Crafts** - The principal exhibition for contemporary applied arts in North America is the annual Sculpture Objects and Functional Art (SOFA) event in Chicago. The Scottish Arts Council supports an annual showcase of crafts work there, through the Scottish Gallery. In partnership with the Crafts Council, Scottish makers are also represented at trade fairs in New York and Munich, as well as in Japan and Sweden. *Celebrating*
Scotland’s Crafts, an exhibition of Scottish contemporary indigenous crafts created by the National Museums of Scotland with funding from the Scottish Arts Council, journeyed to the USA while a distilled version continued to tour rural and island venues in Scotland. The exhibition was shown at the Folk Art Centre in Asheville, North Carolina, during the summer of 2002 where it was seen by 150,000 visitors. By the end of the tour, which included Tartan Day and the Smithsonian Institution’s Folklife Festival, the show had promoted the work of Scottish makers at 27 different venues in the UK and USA.

Dance – Traditional dance remains eternally popular, and Scottish modern dance companies are now increasingly receiving invitations to perform abroad. Scottish Dance Theatre was proud to appear as the only UK representative at the Global Dance Festival in Düsseldorf in 2002 – the precursor to a tour to Italy in July 2003 and to Greece in October 2003. Scottish Ballet is progressing plans for a tour to China and the Far East in 2006/07. Individual choreographers are also in demand, such as Sheridan Nicol, who works on Broadway and in Hollywood where she’s not running her dance and theatre arts school in Lanarkshire or writing, choreographing and directing the Glasgow Pavilion pantomime. Scottish Arts Council Creative Scotland Award recipient Colette Sadler works as a dancer and choreographer in Barcelona, Germany and elsewhere in Europe, but has recently returned to Scotland to develop her work on dance, visual art and film. The annual New Territories Festival in Glasgow presents international work to audiences in Scotland.

Drama - Several of our leading theatre companies tour internationally. Dundee Rep, a company core funded by the Scottish Arts Council, has recently returned from a challenging British Council-sponsored visit to Tehran. Edinburgh’s Traverse Theatre linked with a Quebecois theatre company to bring Canadian work to Scotland, with the work of Scottish playwrights being performed in Quebec. Playwrights David Greig, Stephen Greenhorn and Liz Lochhead have also had their work produced overseas. For example: Liz Lochhead rewrote Euripides’ classic Greek tragedy Medea for Theatre Babel; Scotland’s touring classical theatre company. The production toured throughout India in February 2002. Scottish playwrights continue to command attention across the world and plans for the new National Theatre of Scotland include international touring and profile for Scotland.

Literature – JK Rowling, was given a Scottish Arts Council grant at the outset of her career and is now arguably Scotland’s most globally-recognised writer. Writers such as Muriel Spark, Ian Rankin, Alan Warner and Alasdair Gray have reputations which stretch far beyond Scotland’s border. With interest in contemporary Scottish writing abroad reaching a new peak, we provide funding to overseas publishers for the costs of translating Scottish work, resulting in an additional £25,000 from the Scottish Executive to meet unprecedented demand. The initial print-run of Alasdair Gray’s Lanark, in its first French translation, sold out within four weeks of publication. Michel Faber’s The Crimson Petal and the White, published by Canongate, will be published in Spanish and Danish this year, while Louise Welsh’s The Cutting Room will shortly appear in Swedish and French. The diversity provided by Scots and Gaelic has a resonance in many European countries where to be polyglot is the norm.

Music - Scotland’s musicians are welcome across the world, whether their chosen genre is traditional music, contemporary popular music, jazz or classical. Several of our world-class musicians performed at the prestigious Smithsonian Institution Folklife Festival, while our two national orchestras both completed foreign tours this year. There is a thriving circuit for traditional music in Germany and North America, and we are launching a new programme to support music touring which will also bring foreign musicians to play in Scotland. Theatre Cryptic last year created Black on Red with the Latvian Radio Choir: it was critically acclaimed in Glasgow, and a sell-out at the Latvian Opera House in Riga.

Visual Arts - Scotland’s premier artists presented at the annual prestigious celebration of contemporary visual arts, the Venice Biennale (in partnership with the British Council). The Scottish Arts Council also supports a year-long artists’ residency in Amsterdam. Prominent visual artists whose work is widely respected beyond Scotland include Ian Hamilton Finlay, Douglas Gordon, Christine Borland and Jack Vettriano.

What more could the Scottish Arts Council do to promote Scotland worldwide?

The Scottish Arts Council is well placed to promote Scotland overseas and to help create a country which is not only an attractive place to visit, but a creative place in which to live and work. Recently the well known Scottish writer and historian, Arthur Herman was appointed to the Scottish Arts Council board. Arthur lives in Washington and it is hoped that his visits to the Council will bring an international perspective to our decision making process.
We currently invest approximately £500,000 per year in international initiatives. This combines £300,000 of Scottish Executive voted funds and £200,000 of lottery funds. This funding is used both to support and promote Scottish artists and companies working abroad, and also to bring in to Scottish audiences the best international work. In addition to this dedicated funding, the Scottish Arts Council’s regular funding supports a great deal of international activity undertaken by our 105 core-funded organisations. However, it is a small sum compared to the marketing budget of other agencies and, regrettably, in order to meet other commitments within Scotland, the international budget for 2004/05 will no longer include lottery funding and will therefore be restricted to £300,000.

We offer considerable support to individual artists who apply to our Professional Development Fund. This offers help with training and developmental opportunities, as well as assisting with funding research and travel to explore relevant projects overseas. Over the last two years, we have funded artists to go to 49 countries worldwide, from Armenia to Australia, from Bulgaria to Brazil, Kazakhstan to Korea many of which resulted in exchanges of work and people. Our funding has recently supported visits by crafts makers to Kazakhstan to learn traditional textile techniques, a visit by South Lanarkshire Council’s education staff to view arts education projects in Los Angeles, a research visit to the ‘Outsider’ art fair in New York by staff from Project Ability, funding for Scottish publishers to visit the Bologna Art Fair, support for a visual artist’s critical studies fellowship in Houston and funding for a film maker’s residency at a leading film laboratory in Niagara, Toronto. Scottish Arts Council funding has allowed two volunteers from a small rural arts festival to shadow staff working for a festival in Torrega, Spain, as well allowing a Scottish record company the opportunity to make international contacts at the Miami Winter Conference.

Scottish Arts Council funding is vital for establishing artistic exchanges and residencies. These opportunities are the equivalent of attracting students to higher education: sometimes they stay on, and if they go home they have a very positive image of our country which often leads to further exchanges, investment and opportunities. Many international artists, originally here for a short-term course or artist-in-residence opportunity, have decided to relocate to Scotland to live and work.

An important aspect of international work is ensuring there is a range of high quality international work for Scottish audiences to enjoy. An additional spin-off of this is that it presents other cultures in an attractive and engaging way, celebrating diversity and thereby fostering tolerance and understanding of other cultures within Scotland. We have a strong programme of capacity-building in minority ethnic arts organisations and festivals within Scotland which involves international artistic exchange.

In any consideration of enlarging the scale of its international work to promote Scotland through the arts, funding for the Scottish Arts Council is an undeniably important factor.

We could further support the Scottish Executive in promoting Scotland by, for example:

- offering more support to the promotion of Scotland’s arts and culture through the Scottish Executive’s ‘Scotland In ….’ events, and joint events with the British Council, VisitScotland and cultural partners;
- expanding the programme of international residencies and artistic exchanges;
- expanding the programme for international showcases;
- working with EventScotland to grow and market cultural festivals;
- developing a cultural tourism initiatives, such as a listings facility to enhance the experience for the cultural tourist and a cultural map of Scotland;
- working with VisitScotland to offer tourist-awareness training to arts and cultural providers;
- working with partners (Scottish Executive’s External Relations department / Foreign and Commonwealth Office / Central Office of Information / VisitScotland) to develop familiarisation trips for journalists to ensure they access arts and cultural opportunities;
- investing further in Scottish artists and organisations to ensure that more of the work produced is indeed world-class;
- enhancing the business and global marketing skills of arts organisations;
- developing our website, which is already an important arts resource;
- exploring the feasibility of a post with dedicated responsibility for promoting Scotland worldwide through the arts. Presently we have no such post and this would allow us to plan against the long lead times required for international work.
Conclusion

The Scottish Arts Council is extremely supportive of the Scottish Executive’s wish to promote Scotland internationally. We naturally believe one of the best ways to achieve a positive image for Scotland abroad is through arts and cultural activities.

The Scottish Executive’s strategic priorities may not necessarily be the same as those identified by the British Council. It would be helpful to agree a matrix of which countries might be priorities for the promotion of Scotland: the best opportunities for promoting Scottish beef may not be the same as for promoting Scottish tourism but, in general, promotion of our culture can assist both areas in creating a positive image of Scotland.

Were we to create a new post of International Officer, we could audit and assess the impact of our international cultural activity, and submit our own priorities. It is difficult to identify measures of success for international work, except in the most general terms. For example: it is difficult to assess how many potential tourists to Scotland will be influenced by seeing work of a Scottish artist in a New York gallery or attending a performance in Greece for Theatre Babel.

For virtually every other country in the world, the support and promotion of its arts and culture is a badge of pride. In Scotland, culture must be treated like fresh air, clean water or good scenery – something we automatically believe is ‘a good thing’, enhancing our reputation as a confident, cultured and contemporary country, eager and able to welcome tourists or attract business, and a nation which knows how to enjoy itself. The benefits are incalculable.
Dundee Rep Theatre

Covering Letter

Scotland's Place in the World

The arts and culture are a fundamental means by which Scotland and its identity are defined and developed. I believe that when considering the "Promotion of Scotland Worldwide", cultural activity has a key role to play, not only in terms of the manipulation and development of people's opinions about Scotland, but also through the actual processes of artistic activity. Both the content and the form of an arts project can shape and further develop beneficial relationships with people outwith Scotland.

One function of artistic expression is to explore who we are, where we are coming from and where we might be going, both on an individual and a collective level. The encouragement of creative thinking, the development of self-confidence through artistic expression and an empathetic understanding of the "other's" needs, as well as those of the self are all acknowledged outcomes of participation in creative arts activity. I have explored these processes over the last 5 years as part of TAG Theatre Company's "Making the Nation" project and have seen the results of creating spaces for young people from Scotland and other parts of Europe to come together to exchange ideas, experiences and viewpoints. This work has convinced me that an artistic element to these encounters makes a more profound connection between participants and a richer context in which ideas around similarity and difference can be explored. Additionally, I have lectured and taught in Japan, Denmark and Greece on the benefits of such projects and the ground breaking activities going on in Scotland and the reaction to the description of this work has been incredibly positive.

I would argue that whilst promotion of trade, tourism and economic development are important strands to any strategy to develop Scotland abroad, some of the richest, most powerful and meaningful encounters are generated by the arts. And not just the high arts of Opera, Fine Art and Orchestral Music. The representation of the whole community and encounters with them, through grass roots arts projects could be amongst the most valuable and effective mechanisms to achieve a higher level of visibility for Scotland and a greater respect for our cultural life.

To this end, I suggest that the following be considered as part of the inquiry into Scotland's external relations policy:

- Develop opportunities for professional artists based in Scotland to work with artists from other countries
- Encourage activities and projects which enable children and young people to participate in exchange and arts based activities from other countries
- Ensure the National Theatre of Scotland connects with other similar organisations in other countries and is able to promote the best of Scottish Theatre abroad
- Involve artists and performers in such events as "Tartan Day", not just in terms of representations of "traditional" Scotland, but also by exploring contemporary
characteristics of modern Scotland such as the gaming industry, excellent work for children and young people and contemporary music

- Involvement of creative artists in planning and co-ordination of arts elements of promotional activities. Not only can the experience and knowledge of people working in the arts be utilised, but also the creative practices and ideas of such people could inform the structure of events which are planned.

Ultimately, I would advocate the broadest representation of the best of the arts in Scotland, both professionally performed activities as well as non-professional participatory projects. These are a part of life in Scotland but they are also a means by which relationships and meaningful encounters can be kick-started. In this way, the image of Scotland as a progressive, mature and creative country can be promoted and developed, leading to the encouragement of yet more creative and culturally rich encounters feeding back into Scotland, further developing the image and perhaps more importantly the actual quality of life in this country.

If you require further information regarding this submission please don't hesitate to contact me.

James Brining
Artistic Director
Dundee Rep Theatre

Submission

1.1 The Arts and Culture are acknowledged as powerful influences on a country's sense of identity. Internally, the arts can express people's views of themselves and their community in a wider, global, context. To people outwith that country, a stimulating, reflective and vibrant cultural life is an attractive and valuable indicator of a mature and self-confident society.

1.2 But the arts do not only reflect the "state of a nation". They also positively influence the creative aptitudes of communities as a whole, whether through the "high arts" of opera, classical music and fine art or via participatory, community or amateur arts activity. Work in these fields is crucial in enabling citizens to understand, influence and feel that they belong. The arts in an educational context are another vital strand in the complex of factors which contribute to our collective sense of ourself.

1.3 I believe that the arts should be placed at the heart of any strategy aimed at positively influencing tourism, economic development and trade. The powerful experiences generated by great art are unique. Similarly, the transformative power for a participant in a collective artistic experience is hard to underestimate. Scotland's artists regularly generate world class work in a variety of art forms and in an amazing range of contexts. The positive impact of demonstrating this activity to the outside world is relatively inexpensive and because it is highly specific to Scotland, it is a unique reflection of the creativity and spirit of people in this country.

1.4 My work on Making the Nation, a drama and democracy project for TAG Theatre Company helped me to understand the power and positive impact that the combination of the arts, education and a dynamic social issue can unlock. Not only did over 25,000 young people in Scotland benefit from the opportunity to engage creatively with ideas around Scotland's new form of government, but since 2001, organisations in Japan, Greece, Italy and Denmark have all been stimulated and encouraged to utilise elements of the model of work we developed at TAG.
1.5 Similarly, my current theatre, Dundee Rep toured earlier this year to Tehran, the first UK company to visit Iran for 30 years. The positive impact at home was tremendous, but perhaps more significant was the ambassadorial role that culture can play between societies, engaging through an artistic experience with each other across distances of place, religion and politics.

1.6 The arts are a uniquely human activity and the dominance of the human species can be attributed to mankind's inherent creativity. But creativity can be nurtured and developed, on both a personal and societal level. Richard Florida's work on creative communities convincingly articulates the benefits across a broad spectrum, of the propagation of creativity at the heart of community life. The Executive must engage with issues around developing the most beneficial circumstances for a genuinely creative culture, but it should also focus on the celebration of excellent practice where it currently exists. This will help generate a virtuous cycle whereby talented and creative people will be encouraged to remain or settle in Scotland, creative people from outwith Scotland will be encouraged to work with artists already based here, and opportunities for Scottish artists to work overseas will also be opened up.

1.7 In conclusion, the work of the Scottish Arts community in the broadest sense (ie presentational, participatory and educational work) should be part of the centrepiece of the Executive's approach to the outside world. The power of the arts to speak on a human level to people who may not share our language, culture or politics should not be under-estimated. A powerful artistic experience can stay with one for a lifetime and the arts and the influence they can exert are valuable tools in promoting our sense of Scotland as a stimulating and exciting place to live and work. The Executive should harness this power fully and enthusiastically in future strategies.
Robert Burns Federation

No written submission has been received.
Scottish Screen

No written submission has been received.
Scottish Publishers Association

No written submission has been received.
EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

BRIEFING PAPER

“Scottish Executive’s Response to the Committee’s Report on the UK Government’s proposals on the repatriation of European regional development funding”

Introduction

1 On 17 June, the Committee published its 2nd Report 2004, into the repatriation of European regional development funding and the proposals of the UK Government. A copy of this Report can be found at:

   http://www.scottish.parliament.uk/business/committees/europe/reports-04/eur04-02-vol01-01.htm

2 The Scottish Executive has now published its response. This is set out in Annex A.

Recommendation

3 That Members consider the response from the Scottish Executive to its Report. Members may also wish to consider what further action or follow-up is required.

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1. The report of the Committee’s inquiry is particularly helpful, coming as it does at an important point in the debate on the future of the Structural Funds. The Deputy First Minister was pleased to give evidence to the Committee. With the publication of the Third Cohesion Report in February and the draft Structural Funds regulations in July, the key issues for negotiation are emerging. However, these negotiations are at an early stage and are expected to run long into next year. The Executive will continue to ensure that Scottish interests are properly reflected in the discussions at both EU and UK levels. Scottish Ministers are committed to securing the best possible outcome for Scotland.

In the sections that follow, the Committee’s comments and recommendations are quoted from the Summary and Recommendations section of its report and presented in bold. The Executive’s responses follow.

2. **Our 9-month Inquiry and this report have been about where and how we strike the balance between a need to show solidarity with the new states that joined the EU in May 2004 on the one hand, and the need to continue to address the very real problems in our own regions and communities on the other. In this sense, we recognise that enlargement of the EU is both an opportunity and a challenge.**

3. The Executive welcomes the Committee’s recognition of the collective challenge and opportunity facing the EU as a result of enlargement. Through twinning support and the work of Scottish partners in disseminating Scottish good practice to several new Member States, Scotland has been very active in addressing the specific challenges in the area of Structural Funds. Ensuring that the new Member States have the resources and scope for tackling their key development problems should be the guiding principle in shaping the future of Structural Funds. For this reason, the Executive agrees with the UK Government that future Structural Funds should be concentrated in the new Member States. The Committee has rightly identified one of the key issues as how a balance can be struck between the need of the less-developed countries of the EU for funding and the continuing development needs of the longer-standing Member States. The issue is at the heart of the debates over the Commission’s proposals. The Executive believes that this balance is not exclusively limited to the Structural Funds, but should be addressed in the context of the total funding available for regional development needs.

4. **We recognise that the majorit**y of the submissions we have received believed that a proportion of at least 0.45% of EU25 Gross National Income is needed to fund regional development across the EU from 2007. This represents about one-third of the EU’s total expenditure. We consider that this proportion is not an unreasonable initial proposal. We believe also that a roughly 50:50 share between
the new and the existing member states is reasonable too, providing it is based on actual need and not just an arbitrary split.

5. The Executive agrees with the UK Government that the Commission’s proposed Financial Perspective is too high. HM Treasury has calculated that the difference between the Commission proposal – an equivalent of 1.24% of EU GNI across the 2007-13 period – and the proposed UK limit of 1% would result in a net cost to the UK as a whole of €25 billion. Agreeing to the Commission’s proposals as they stand could result in a net loss of funding to Scotland, as the higher UK contributions might be partly borne through reductions in the Scottish block.

6. Moreover, the Executive does not believe that the right balance has yet been struck in the Commission’s current proposals. A 50:50 split between the new and the longer-standing Member States is not an equitable distribution of resources. The development challenges faced by the new Member States are more considerable than those facing the longer-standing Member States.

7. In our view, there is a need to continue to fund the more deprived parts of the then EU15. Areas of Scotland, particularly the Highlands and Islands, are no better off after enlargement. They just appear relatively more developed than their poorer neighbours.

8. The Executive is committed to addressing regional problems within Scotland, whether funded domestically or through the EU. This has been expressed clearly in The Way Forward: Framework for Economic Development in Scotland, where one of the four principal objectives is to ensure that all regions in Scotland enjoy the same economic opportunities. It was further restated in the Scottish European Structural Funds Forum response to the UK consultation on the future of the Structural Funds in July 2003, which endorsed a commitment to a strong regional policy.

9. In evidence to the Committee, the European Commission suggested that a nationalised or repatriated regime for funding regional development would lead to richer nations abusing their wealth to fund less-well off regions within their own borders and this in turn would lead to a “regional development funding race”.

10. The European Commission already has extensive powers to ensure that this does not happen. Article 87 of the Treaty of Rome makes it clear that Member State funding which may distort competition and trade between Member States is incompatible with the Common Market. The main policy instruments of regional development support across Member States, including the UK, are subject to the Commission’s Regional Aid Guidelines which determine where, how and in what circumstances regional state funding can be granted. The Commission also has powers to require the repayment of aid (plus interest) where it considers it to have been granted illegally.
11. Our six core principles for any future regime for regional development funding are as follows. We believe this is the “Scottish Model” that we want to see adopted. We think these are the correct benchmarks against which to assess the different options. We consider that looking at proposals against these principles offers the best approach when deciding which option for regional development funding post-2006 is best for Scotland.

- Any system to fund regional development must provide an environment that maximises stability and enables recipients to plan for the long-term.
- Any system must allow funds to be disbursed in an open and transparent way and be allocated according to published criteria.
- Funding regimes, including those for state aids, must be flexible and minimise bureaucracy whilst safeguarding against mismanagement and/or fraud.
- Decisions on funding should involve many partners and stakeholders, not just the public sector, but also the private sector and social partners.
- Funding should be targeted, but not exclusively, at projects and initiatives which help with the EU’s objectives for economic development and sustainable development. But we must also take into account the unique economic and demographic circumstances of many parts of Scotland such as the Highlands and Islands and the existing pockets of deprivation within otherwise richer communities. If necessary, better indicators may have to be used which enable funding to be targeted at these areas too.
- The management of funds must be decentralised and devolved both at the EU and the UK level, thus respecting fully the principle of subsidiarity. The current setup must be retained and the role for the various Scottish bodies involved in the management of the funds must be maximised, with the Scottish Executive reporting to, and being held accountable by, the Scottish Parliament.

12. The Executive welcomes the Committee’s endorsement of the principles lying behind the operation of the Structural Funds in Scotland. These principles are embedded in the current arrangements for delivering the Structural Funds, the ‘Scottish model’ which has been recognised by the Commission and other EU Member States.

13. In looking to the future, the Executive intends to engage with Scottish partners over the coming months on how these principles can be retained after 2006. Whatever the outcome of the negotiations on the Structural Funds, it will be important for partners to discuss the implications of the different financial proposals. The Executive plans to set up a series of consultation workshops with partnerships across Scotland.

14. In our view, the breakdown of the EU’s proposed regional development budget into three strands (convergence, competitiveness and co-operation) is acceptable. The shares between the three strands are also reasonable. We believe that if there are to be cuts made to the size of the regional development budget as a whole then the three strands approach should be retained and the relative budgetary share between each strand should remain. We also believe that the Scottish Executive should monitor the types of indicators which will be used to allocate funds at the EU-level and within the UK as part of the competitiveness and the territorial cohesion strands of any agreed regime for regional funding.
15. The Executive believes that it is too early in the negotiations to assess where the budgetary cuts should be made. Officials will continue to liaise closely with the DTI, HM Treasury and the Commission as the negotiations develop.

16. With respect to the indicators for allocating funding under the different proposed strands, the draft regulations published on 14 July provided limited detail of Commission thinking in this area. As the Commission makes more information available, the Analytical Working Group set up by the Deputy Minister for Enterprise & Lifelong Learning will examine the impact of these indicators from a Scottish perspective. As the negotiations on the regulations begin in earnest in the autumn through the Structural Actions Working Group, the Executive will be fully engaged and continue to work towards the best possible outcome for Scotland.

17. We believe that it is acceptable to limit the amount of support to be provided to the new member states given the ability of those states to absorb efficiently and effectively such large injections of aid. However, we do not necessarily see a flat 4% cap applicable across all new members as the most equitable means to achieve this. We would prefer to see some degree of flexibility based on individual assessments of the ability of the country to absorb the sums and perhaps also a sliding scale that eases off the cap over time as the new member states demonstrate their ability to use the financial support in a suitable way.

18. The Executive supports the operation of a flat cap on the new Member States for several reasons. First, the introduction of varying rates could be politically invidious for those Member States which will not be given a higher cap. Second, it will put more pressure on the new Member States to increase their spending under Structural Funds, potentially at the expense of the quality of the supported projects. Third, it would introduce considerable complexity in their operation at a time when both Member States and the Commission are aiming to simplify the Funds. Lastly, it could lead to a much higher overall budget than is currently proposed, with increases that would be difficult to predict during the 2007-13 programming period.

19. We recommend that the Scottish Executive explore with HM Treasury any options that may be available which could allow the UK to increase its contributions to the EU’s budget without there being a corresponding reduction in the ‘Scottish block’.

20. The impact of any change in the UK’s contributions to the EU budget on the ‘Scottish block’ within the overall UK budget would depend on how the Chancellor sets the overall size and distribution of departmental expenditure. Many changes in the size of departmental budgets have an automatic impact on the Scottish block through the operation of the Barnett Formula, by which increases or reductions in the Scottish budget are determined by applying formulae to the increases or reductions in comparable Whitehall Departments. Changes in Whitehall Departmental budgets are the responsibility of the UK Government.

21. We strongly support the Scottish Executive in having set up an Analytical Working Group. We hope it will be able to report to the Scottish Executive and the Parliament in the near future.
22. The Analytical Working Group was originally set up to report on the financial implications of the Third Cohesion Report for Scotland. It reports to the Deputy Minister for Enterprise & Lifelong Learning. In May, its report was presented to the Forum, members of which include the Convenor and Deputy Convenor of the Committee. As more detailed information on the proposals is presented, the Group will refine its analysis. The Executive will keep the Committee informed of this work through the Forum.

23. **We believe it is too early to say whether these proposed reforms to state aids are in Scotland’s interests. We ask the Executive for more information on the implications to Scotland as these reforms develop.** However, we believe that the two principles of any proposed reform should be to increase flexibility and reduce bureaucracy across the EU. We call on the Executive to produce a comprehensive sectoral analysis of state aid provision in the past, bearing in mind the difficulties that parts of Scotland and certain industries have faced.

24. All Member States support the aim underlying the proposals of less and better targeted state aid in line with the Lisbon agenda and the conclusions of successive European Councils. The European Commission has indicated that it is committed to both policy and procedural state aid reform, aimed at focusing their resources on the most significant and potentially distortive aids while introducing more flexibility for non-distortive aids. We support this objective and will be examining closely Commission proposals aimed at state aid reform.

25. As part of its reform agenda, the Commission has expanded the scope of the block exemption for small and medium-sized companies to cover research and development. This complements the block exemptions for training support and for employment creation. Support measures which meet the block exemption criteria avoid the need for notification to the Commission, minimising delay in implementing new initiatives.

26. Most recently the Commission has issued proposals for regional aid post 2006. A UK-wide consultation on the proposals is currently underway and due to finish on 6 September. The proposals aim for a better concentration of regional aid to investment in the least favoured Member States and regions, while increasing the flexibility for other Member States and regions to pursue local development. Whilst we support the aim, we do not think the Commission’s proposals are the best way to achieve it, not least because many of the most underperforming areas would not be eligible for coverage. We are particularly concerned about the impact in Scotland where only the Highlands & Islands would continue to be covered.

27. The Commission also suggest that increased flexibility would be achieved through a review of the horizontal guidelines – which currently cover research and development, environmental support and risk capital – as well as the introduction of new measures aimed at dealing with lesser amounts of state aid. We welcome the proposed increased flexibility – although clearly we will need to examine the detail of both the proposed changes as well as the new measures – but we think it unlikely that these will compensate for the proposed significant reduction in regional aid coverage in Scotland.
28. Finally the Committee requested a sectoral analysis of state aid provision. This is not generally available other than in the detail provided to the Commission in support of annual state aid returns. Using the information provided for these returns, the table below shows a breakdown of spend for 2002.

-State aid spend in Scotland-

<table>
<thead>
<tr>
<th>Sector</th>
<th>Fisheries</th>
<th>Agriculture</th>
<th>Regional Aid</th>
<th>Horizontal Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>£27.5m</td>
<td>£16m</td>
<td>£77m</td>
<td>£65.5m</td>
</tr>
</tbody>
</table>

Regional aid spend includes the Regional Selective Assistance grant scheme, the Enterprise Networks' capital support schemes and property support. Horizontal aid includes schemes for research and development, training, SMEs, environmental support and risk capital.

29. It should also be noted that not all business support measures involve state aid. General measures which apply UK wide, and which do not confer an advantage on a particular firm or sector – such as New Deal or fiscal measures such as R&D tax credit – are not state aid.

30. **We believe it is too early to say whether proposed reforms to rural development and to fisheries support are in Scotland’s interests. We ask the Executive for more information on the implications for Scotland as these reforms develop.**

31. The Executive agrees with the Committee that it will be essential to track the different reform processes in the Commission. It recognises that it will be important to ensure that rural development and fisheries issues are adequately addressed by the different draft regulations, which were also published on 14 July. Officials in ERAD and the European Structural Funds Division will remain in close contact on the emerging negotiations, as well as with counterpart officials in Whitehall.

32. **We support realigning regional development funding with wider efforts to stimulate economic growth, reduce unemployment and provide for sustainable development. We would like to see the Scottish Executive continue to report details of the progress of the Scottish economy relative to the Lisbon targets to the Scottish Parliament on an annual basis. We recommend the Scottish Executive develops the necessary reporting mechanism to continue to provide such information regularly to this Committee and other relevant committees in the Parliament.**

33. The Executive has recently responded to the Committee on a similar request for information on the performance of the Scottish economy relative to the Lisbon targets. The Minister for Finance replied to the Convenor’s letter of 27 May on 10 June. In the letter, Mr Kerr suggested waiting until the current HM Treasury consultation on productivity indicators be completed before taking forward any Scottish work, as that would provide a clearer picture of the indicators needed, any gaps that exist and what would be required to fill those gaps.
34. We are disappointed that ministers from HM Treasury and the UK Department for Trade and Industry were not prepared to accept our invitation to address the Committee in Edinburgh or even meet informally in London to clarify this uncertainty. This would have helped us understand the issues better, particularly how the “financial guarantee” would work in practice. We feel this hindered our Inquiry and was unreasonable on the part of UK Ministers given the flexibility shown by the Committee in offering to meet them in any place and at any time.

We recommend that the Scottish Executive discuss this matter with UK Ministers to find ways of encouraging UK Ministers to explain these views to Scottish parliamentary committees.

35. Decisions on the appearance of UK Government Ministers before Committees rest with the UK Government. Guidance on the attendance of UK Government Ministers has been issued by the Department for Constitutional Affairs in Devolution Guidance Note 12: Attendance of UK Ministers and Officials at Committees of the Devolved Legislatures. We have drawn the Committee’s findings to the attention of UK Ministers.
Introduction

1 In its 5th Report\(^1\), 2002, the Committee’s predecessor asked that the Scottish Executive provide the Committee with an annual report for its European Union Office in Scotland House, Brussels (Scottish Executive EU Office, SEEUO). Specifically, the Committee asked that (paragraph 141):

“… the SEEUO provides the European Committee (and hence the wider Scottish public) with regular reports on the activities of this office. This should outline the major legislative dossiers and other projects covered, the activities undertaken (briefings for Scottish Executive Ministers etc.), and the outcomes achieved.”

2 In its response, considered at the then Committee’s meeting of 11 February 2003, the Executive replied that:

“The Executive agrees that, in principle, it is desirable for planning and report information to be made available to the Committee (although to do so over-frequently or in excess detail would divert effort from the office’s core function of representing Scotland’s interests). It therefore proposes that the SEEUO provide the Committee annually with a document that provides a report on the previous year’s activities and a plan for the coming year.”

3 Such a Report has now been provided. This is set out in Annex A (available in hard copy versions only).

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\(^1\) http://www.scottish.parliament.uk/business/committees/historic/europe/reports-02/eur02-05-01.htm
Recommendation

4 That Members consider the Annual Report of the SEEUO for 2003-2004, consider whether it meets the specifications outlined by the Committee and the Executive and reaffirms its view that such a report should be provided each year by this office. Members may like to consider whether future reports should be accompanied with an appearance by the Executive’s Head of Office in Brussels to present the annual report and take questions.

Stephen Imrie
Clerk to the European and External Relations Committee
The Scottish Parliament
Tel: 0131 348 5234
Email: europe@scottish.parliament.uk
SEEUO ANNUAL REPORT, 2003-2004

This is available in hard copy only. Please contact the Clerks if you need a copy.
Scottish Executive EU Office: Annual Report for 2003 - 04

Introduction

This document reports to Scottish Ministers on the activities of the Scottish Executive EU Office (SEEUO) during 2003 – 04. It also fulfils a commitment given in response to the 5th Report of the European Committee of the Scottish Parliament that the SEEUO should report periodically on its activities. This is the first such report.

This report is structured around the five key activities of the SEEUO, with a section devoted to each. These five activities are:

- Providing operational support to the Executive;
- Information gathering and dissemination;
- Assisting in influencing EU decisions;
- Raising Scotland’s profile in the EU; and
- Developing regional links

Section 6 of the report provides administrative information about the SEEUO, while annexes provide detailed information about events which have taken place during the period covered by this report. Further background information about the SEEUO is available on its website (http://www.scotland.gov.uk/euoffice).

In all its activities, the SEEUO works as much as possible in partnership with others. European affairs is very much a field where success is often not the result of individual effort but of working in partnership with others to reach consensus. Accordingly, while this report covers a number of areas that the SEEUO has been involved in over the past year, it should be remembered that it has also been working with a number of others key stakeholders including colleagues elsewhere in the Scottish Executive, the range of Scottish civic society, with other organisations represented in Scotland House1, the UK Permanent Representation to the European Union (UKRep) and other regional offices based in Brussels. It is difficult fully to capture the nature of that work in this report.

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1Including Scotland Europa, CoSLA, Scottish Parliament, Highlands and Island European Partnership
1. Providing Operational Support to the Executive

The SEEUO provides operational support to Scottish Executive officials and Ministers by providing:

- European expertise to complement the subject expertise of their counterparts at home;
- a base for Ministers and officials visiting Brussels on business; and
- assistance in drawing up programmes for visiting Ministers and officials.

Providing Support to Scottish Executive Ministers

Over the course of 2003-4, the SEEUO has provided operational support to a large number of Ministers and officials visiting Brussels. During the relevant period, Scottish Ministers attended a number of meetings of the Council of Ministers as full members of the UK delegation, including:

- Ross Finnie, Minister for the Environment and Rural Development, attended the Environment Council on 2 occasions and the Agricultural and Fisheries Council on 5 occasions, including one session extending over three weeks in Luxembourg to agree reform of the Common Agricultural Policy (CAP);
- Allan Wilson, Deputy Minister for the Environment and Rural Development, attended the Agricultural and Fisheries Council on 1 occasion
- Peter Peacock, Minister for Education and Young People, attended the Education, Culture and Youth Council;
- Jim Wallace, Deputy First Minister and Minister for Enterprise and Lifelong Learning attended the Competitiveness Council;
- Andy Kerr, Minister for Finance and Public Services also attended the Competitiveness Council; and
- Cathy Jamieson, Minister for Justice, attended the Justice and Home Affairs Council.

While in Brussels or Luxembourg, Ministers and their officials have often been accompanied and supported by the relevant SEEUO desk officer for the duration of their visit. In addition, Scottish Ministerial delegations are provided with full office facilities within the SEEUO’s premises.

Scottish Ministers do not solely visit Brussels on Council business however, and the SEEUO has arranged a number of additional, separate, visits to Brussels by Ministers during 2003-04. A summary of these visits is provided below:

- Jack McConnell, First Minister (twice) for meetings with, among others, European Commission President Romano Prodi, Vice-President Neil Kinnock, European Commissioner for the Environment Margot Wallström, and NATO Secretary-General Lord Robertson;
- Jim Wallace, Deputy First Minister and Minister for Enterprise and Lifelong Learning, to meet Commissioner Barier;
- Andy Kerr, Minister for Finance and Public Services, attended the memorial service in Ypres on 11 November and afterwards laid a wreath at the cemetery of the Seaforth Highlanders
- Colin Boyd, Lord Advocate to attend the International Bar Association meeting;
- Nicol Stephen, Minister for Transport, to attend the Committee of the Regions (twice);
- Lewis Macdonald, Deputy Minister for Enterprise, Transport and Lifelong Learning to speak at conferences on lifelong learning and the creative industries;
- Allan Wilson, Deputy Minister for the Environment and Rural Development, for meetings with Commissioner Wallström;
- Hugh Henry, Deputy Minister for Justice, for meetings with officials at the Commission, Council of Ministers and UKRep;
• Ross Finnie, Minister for the Environment and Rural Development, to meet Agriculture and Fisheries Commissioner Fischer; and
• Tavish Scott, Deputy Minister for Finance, Public Services and Parliamentary Business, to meet officials from the Commission, UKRep and the Estonian Mission to the EU.

The SEEUO also provides support to the work of the Executive’s delegates to the Committee of the Regions and assist colleagues based in Edinburgh in supporting the First Minister’s chairmanship of the Conference of European Regions with Legislative Powers (REGLEG). The First Minister’s chairmanship, which commenced in November 2003, will run to November 2004.

Providing Support to Scotland Based Officials

There are regular visits by Scotland based officials to the Brussels office, usually to make use of the ‘hot-desk’ facilities while over on business or to consult with SEEUO staff. The SEEUO also organises familiarisation visits for individuals and groups from the Scottish Executive and speaks to visitor groups from other organisations including the Scottish Parliament.

SEEUO staff also provide operational support by attending meetings, appropriately briefed, on behalf of colleagues based in Scotland. These can be in the Council of Ministers (in particular in its Working Groups), the Commission, European Parliament or with other key stakeholders. Staff in the EU office also maintain close contact with Scottish Executive staff seconded to UKRep, the Commission and the European Parliament to ensure that they can keep in close touch with the Executive.

2. Information Gathering and Dissemination

Gathering and disseminating information is a key task for the SEEUO. The location of the office at the heart of Brussels’ European Quarter allows it to tap into a wide variety of formal, semi-formal and informal sources.

Thanks in part to its close links with UKRep, a relationship based on openness and mutual exchange of information, the SEEUO receives a steady flow of documentation and information from the European Commission, the European Parliament and, in particular, the Council of Ministers. This documentation is then sifted, analysed and transmitted back to Executive Departments as appropriate.

The SEEUO has to prioritise and to focus its limited staff resource on those policy issues of greatest relevance to the priorities of Scottish Ministers. Much of the work of the SEEUO accordingly involves tracking the work programme of the various formations of the Council of Ministers which deal (at least in part) with devolved matters. These are:

• Agriculture and Fisheries Council
• Competitiveness Council
• Education, Youth and Culture Council
• Employment, Social Policy Health and Consumer Affairs Council
• Environment Council
• Justice and Home Affairs Council
• Transport, Telecommunications and Energy Council

The Councils which deal with reserved matters are also important. For example, the Economic and Financial Affairs Council is important given its role in negotiations on the Financial Framework and budget, while the General Affairs and External Relations Council deals with strategic issues such as the Intergovernmental Conference and enlargement.
To supplement information received in this way, each SEEUO desk officer has developed, and continues to develop, a network of contacts within the EU institutions and the wider Brussels policy community. Such informal contacts are extremely beneficial in building up a comprehensive understanding of policy related developments.

Communication with External Stakeholders

The SEEUO recognises the importance of communication with external stakeholders. It therefore has close links with Scotland Europa, and its members, which is made easy by their co-location in Scotland House.

Every six months, at the start of each EU Presidency, the SEEUO produces a “Forward Look” document. The document provides an in-depth analysis of the state of play on current legislative dossiers of importance to Scotland and an assessment of likely progress during the course of a Presidency. The document also examines other institutional and cross-cutting issues such as progress with the draft European constitution. Over the period covered by this report, the office has produced Forward Look Documents on the Italian and Irish Presidencies. This document is now placed on the Scottish Executive’s website². It also now flags up longer-term issues of importance to Scotland.

The SEEUO works actively with Scottish Members of the European Parliament (MEPs) and their staff to ensure that they are aware of Scottish Executive priorities and positions on EU legislation. This includes provision of written and oral briefing. There are regular meetings with MEPs prior to plenary sessions of the European Parliament. The SEEUO has a dedicated officer for EP affairs but desk officers are also involved for their particular portfolios.

The SEEUO also forwards, on a monthly basis, a summary of all the reports prepared by staff relating to proceedings of the European Parliament to relevant staff in Executive Departments. These are copied to the clerk of the European and External Relations Committee. These reports are most often prepared by the Office’s Parliamentary Officer, but other officials also attend meetings on a regular basis.

The SEEUO also provides some input to the European Elected Members Information Liaison and Exchange (EMILE) network, which includes, among others, Scottish members of the EP, the Committee of the Regions, the Economic and Social Committee and the Scottish Parliament’s European and External Affairs Committee. Its Forward Look document is forwarded to EMILE and SEEUO staff have on occasion attended its meetings.

The website, which forms an important part of our approach to communication, was revamped during the course of 2003 year to make the information more accessible and user friendly. There were around 40,000 hits on the website during the year.

A new leaflet on the role of the SEEUO was also produced in August 2003 and has been widely distributed in Brussels.

3. Assisting in Influencing EU Decisions

The SEEUO focuses efforts on the issues of most importance to Scotland, based on the analysis carried out in the production of the Forward Look. The SEEUO is active in influencing the three key EU institutions – the Council, the Parliament and the Commission. The main dossiers of importance to Scotland which the SEEUO tracked and worked to influence where appropriate included:

² (http://www.scotland.gov.uk/about/UNASS/UNASS/00015181/IrishFW2004.pdf)
Horizontal

- the **Future of Europe** debate in the Convention and subsequently the Intergovernmental Conference

**Agriculture and Fisheries**

- the reform of the **Common Agricultural Policy**
- the Regulation on **sheep and goat identification**
- the proposal on the **transport of live animals**
- the **2004 TACs (Total Allowable Catch) and Quota Regulations**
- **cod and hake recovery proposals**
- establishment of **Regional Advisory Councils for fisheries**

**Competitiveness**

- proposal for a **Directive on the Internal Market in Services**
- the **Entrepreneurship Action Plan**

**Education, Sport, Youth, Culture and Audio-Visual Issues**

- the next generation of education and training programmes (**Socrates, Leonardo da Vinci, Tempus**)
- the ‘**Europass**’ proposal for a decision to establish a single framework for the transparency of qualifications and competencies across Member States.

**Environment**

- the **revision to the Bathing Waters Directive**
- conclusion of the Conciliation process on the Directive on **Environmental Liability**
- the **Groundwater** Daughter Directive

**Justice and Home Affairs**

- the Regulation on **Parental Responsibility**
- the Regulation creating a **European enforcement order for uncontested claims**

**Regional Policy/Structural Funds**

- the **Third Cohesion report** setting out the Commission’s intentions for regional policy in the next programming period (post 2006)

**Transport, Telecoms and Energy**

- the revision of the "**Eurovignette**" **Directive**
- Commission’s mid-term report on the **Energy Renewables Directive**
- the Commission’s ongoing examination of the proposed arrangements for the provision of **Clyde and Hebridean Islands Ferry Services**, notably in the light of the ‘**Altmark**’ ruling of the European Court of Justice
4. **Raising Scotland’s Profile in the EU**

During the past year, the SEEUO has continued to work hard to raise the profile of Scotland in the EU. The SEEUO was restructured during the 2003 - 04 to provide greater resource for the organisation of events to increase the visibility of both the office and Scotland. The importance of working as a part of 'Team Scotland' remains paramount, and the office’s work with Scotland Europa and other partners in Scotland House has been crucial in terms of raising Scotland’s profile.

The Scotland House Conference Centre, which provides an excellent facility in the heart of the European Quarter of Brussels, was once again well-used during the past year. In addition to use by Scotland House residents, a wide range of other organisations have used the facilities including the European Commission, the European Policy Centre and many other regional offices in Brussels. A sense of the range of events in which the SEEUO has been involved at Scotland House and elsewhere can be gained from Annex A.

In preparation for the Accession of 10 new Member States to the EU on 1st May 2004, the SEEUO examined how best to present itself to the growing community of diplomats and officials from these countries in Brussels. Following this, a season of films from the Accession countries was launched in January 2004 by Frank McAveety, Minister for Culture, Tourism and Sport. The season runs through to December and includes a film from each of the ten Accession countries plus the three candidate countries of Romania, Bulgaria and Turkey. The films have been shown in the Museum of Cinema in Brussels, accompanied by a Scottish short film and demand has been so high that a number of additional screenings have been held. Each film has been preceded by a reception at Scotland House. Aside from its intrinsic merit in bringing accession country and Scottish films to a wider European audience, the season has enabled the SEEUO to establish excellent contacts with the 10 new Member States and contributed to raising its profile in Brussels. The office has continued to build on these contacts.

The SEEUO has also had the opportunity to advertise its presence and role, and at the same time promote Scotland, on a wide range of occasions both in Brussels, other parts of Belgium and beyond. For example, it had a presence at the European Pipe Championship at Alden Biesen in September, and at the Flemish Caledonian Society’s annual event in Ghent in March, while staff members participated in a round of Burns Suppers to address haggisies and recite *Tam O’ Shanter*. In conjunction with the British Council in Brussels, the SEEUO helped to bring the Fourth Annual Belgo-British Conference to Edinburgh from 16 to 18 October. This high level discussion focussed on “Changing Europe in a Changing World”.

5. **Developing Regional Links**

The First Minister’s leading role as President of REGLEG for 2004 indicates the importance that the Scottish Executive attaches to regional links. In REGLEG, Scotland works with the main legislative regions of Europe including Catalonia, the German and Austrian Länder, Flanders, Tuscany and Wales. The SEEUO maintains close links with their representative offices in Brussels, and in particular those with which the Scottish Executive has reached bilateral co-operation agreements (Bavaria, Catalonia, North Rhine Westphalia, Tuscany).

During 2003–04, the REGLEG network has focused on issues of governance, particularly in the context of the European Convention on the Future of Europe, the draft European Constitution and the Intergovernmental Conference. The Scottish Executive, jointly with the UK Government and the Welsh Assembly Government, put forward an influential paper to the Convention on the role of the regions. The draft Treaty adopted by the Convention in June includes commitments to subsidiarity that are very important to regions with legislative
powers. In addition, during 2003 – 04 the European Commission issued a communication on improved minimum standards for consultation which reflected suggestions made in earlier in work by the SEEUO (before the period covered by this report). SEEUO has played a leading role on the EU governance debate in Brussels and it will continue to do so with a number of events planned for 2004-05.

6. Administrative Information

The SEEUO is a Division within the Executive’s External Communications Group of the Financial and Central Services Department and operates and is managed in accordance with all the Executive’s normal rules and procedures.

In line with the recommendations of the Scottish Parliament European Committee’s report, the Executive has strengthened SEEUO’s staffing. For the past year, the staff complement has been 12 people, of which 11 are full-time.

There are no plans to change staffing during the coming year but the situation will be kept under review.

7. The Coming Year

The Executive’s EU Policy until 2007, as set out in the European Strategy, will be focused on:

- Promoting Scottish policy interests in Europe (notably economy, trade, investment, tourism, structural funds, transport, fisheries, agriculture, public services, justice and home affairs, environment, Inter-Governmental Conference)
- Maximising our influence with the UK government on EU issues
- Enhancing the profile of the Scotland in Europe

The SEEUO will play a full part in this through its five key activities of:

- Providing operational support to the Executive;
- Information gathering and dissemination;
- Assisting in influencing EU decisions;
- Raising Scotland’s profile in the EU; and
- Developing regional links

During 2004 – 05 the SEEUO will continue to forge links with those Member States who joined in May. Following the EP elections in June it will establish links with any new Scottish MEPS and re-establish links with returning MEPS. The Intergovernmental Conference is expected to conclude at the June European Council and any developments affecting the role of the regions will be of key interest. The new Commission will start in November and again there will be a need to establish links with the new Commissioners and their Cabinets. Thereafter there will be a return of emphasis away from institutional links back towards the EU legislative process, as the EP gets fully underway again following the confirmation hearings for the new Commission.

Looking beyond 2004 – 05, a key challenge will be to help the Scottish Executive prepare for the UK Presidency of the Council of Ministers in the second half of 2005. The SEEUO will work very closely with UKRep to contribute to the delivery of a successful UK Presidency on the ground in Brussels.
## Annex A: Scotland House Events 2003 - 04

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>May 2003</td>
<td><strong>Reception for International Seafood Exhibition</strong>&lt;br&gt;hosted by Rt Hon Helen Liddell, Secretary of State for Scotland for the Scottish representatives at the Exhibition. The following day Mrs Liddell visited the stands.</td>
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<tr>
<td>6</td>
<td><strong>Justin Greenwood book launch</strong>&lt;br&gt;<em>Interest Representation in the European Union</em></td>
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<tr>
<td>15</td>
<td><strong>Euromontana Conference</strong>&lt;br&gt;Highlands &amp; Islands Enterprise organised a seminar on “The Place of Mountain Issues within Future EU Policies” which discussed a number of issues affecting mountainous areas including the Convention, the future of CAP and rural development, future Regional Policy and environmental policy.</td>
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<tr>
<td>26-27</td>
<td><strong>Green Week</strong>&lt;br&gt;In Scotland House Green Week was marked by an event to launch Scotland Europa’s Environment Group Publication ‘Meeting the Environmental Challenges of Sustainable Development in Scotland: A Partnership Approach’. The paper sets out the good practice that is going on across all parts of Scotland and was endorsed by Margot Wallström, the European Commissioner for Environment.</td>
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<tr>
<td>June 2003</td>
<td><strong>Seminar on the Future of Fishing Communities</strong>&lt;br&gt;Highlands &amp; Islands Partnership organised a conference on ‘What Future for Fisheries -dependent areas in crisis’. This fisheries conference brought together about 70 participants from DG Fisheries, DG Agriculture, Council of Ministers, MEPs, Fisheries Ministries, Permanent Representations and regional offices. Speakers included Jorgen Holmquist, Director General of DG Fisheries.</td>
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<tr>
<td>11</td>
<td><strong>Sub Rosa Discussion on the Future of Regional Policy</strong>&lt;br&gt;Discussion was held over two days with participants from the European Commission, Member States, Accession States, regional representatives and academics exchanging views on the future of regional policies. The discussion was on a non-attributable basis to allow for an open and frank debate of key issues. A paper bringing together the thoughts and ideas generated from these discussions was published in September.</td>
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<tr>
<td>13-14</td>
<td><strong>COSLA Reception</strong>&lt;br&gt;COSLA President Pat Watters highlighted the increased importance of their European work and outlined the work programme which focuses on regional policy, environment, CAP and the Future of Europe debate. He confirmed that COSLA will be an active and vocal player at home as much as in Europe. Bill Miller MEP stressed the relevance of legislation being considered by the European Parliament, much of which has direct and substantial impact on the everyday work of local authorities. José Palma Andrés, from DG Regio, gave some valuable insight into recent Commission thinking and confirmed commitment to a substantial regional policy out with Objective 1.</td>
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| July 2003  | **Implementing Lifelong Learning Strategies in the regions of Europe**<br>The event presented the Scottish Strategy for Lifelong Learning at
European level, and identified similarities between Lifelong Learning activities in Scotland and other European regions. Event participants included representatives from all over Europe. Lewis Macdonald MSP, Deputy Minister for Enterprise and Lifelong Learning, made a presentation.

| 14 | **First Minister Jack McConnell’s visit to Brussels**  
The First Minister met with three EU Commissioners, including Romano Prodi, President of the EU Commission. He also met with Minister President Bart Somers the Flemish First Minister.  
In the evening a reception was held and included a speech by the First Minister on ‘Scotland in 2007’. The speech reflected on the first term of the new Parliament and how the first four years of devolution have helped to form partnerships with European regions similar to Scotland. The First Minister outlined the four main aims for the second administration; higher economic growth focusing on a smart, successful Scotland, excellent public services, building stronger communities and achieving a Scotland that is confident in the modern world. This was followed by a question and answer session where the First Minister was questioned on topics such as productivity, research and development and structural funds after 2007. |
|---|---|
| September 2003 12-13 | **European Pipe Band Championships**  
In the Castle of Alden Biesen, Bilzen. This was the first time the European championship had been held outside Scotland and it attracted 50,000 over the weekend. As usual the SEEUO were represented and it also marked the departure of Gavin Hewitt as HM Ambassador to Belgium who returned to his native Scotland in October. |
| 16 | **Estonian Evening**  
A Whisky Tasting was organised with the Estonian Embassy and Estonian Mission to the EU. This event was to promote Scottish-Estonian relations and to encourage further joint working between the Scottish Executive, Scotland Europa and Estonia. |
| October 2003 14 | **Andy Hall Book launch**  
*A Sense of Belonging To Scotland* which has photos of celebrities’ favourite places in Scotland was launched. |
| 15 | **Life Science Event stem cells with Royal Society of Edinburgh**  
Scotland Europa hosted a seminar on stem cell research organised by the Royal Society of Edinburgh in association with the Scottish Stem Cell Network. Attendees included MEPs as well as representatives of the European Commission and national governments.  
Presentations were given by the University of Edinburgh, the Roslin Institute and Edinburgh Royal Infirmary and looked at scientific and clinical developments as well as ethical issues and the socio-economic implications of stem cell research. |
| 27 | **Seminar—“The future of Regional Aid”**  
This was a closed expert seminar to discuss the reform of state aids, organised jointly by Highlands & Islands Enterprise and the |
| 28 | **Agricultural Research and Competitiveness**  
Scotland Europa together with Scottish Crop Research Institute organised a seminar on the drivers behind plant science and agricultural research. The event included EU specialist speakers who examined how such science can contribute to increased European competitiveness and sustainability. |
| November 2003 | **Andy Kerr MSP Minister for Finance and Public Services Brussels Visit**  
Mr Kerr met Bill Miller MEP, Bill Campbell of Disability Scotland (one of the 14 UK delegates to Disabled Parliament which was taking place on 10th November 2003), as well as Elspeth Attwooll MEP and Catherine Stihler MEP. Later the Minister explained his EU priorities to Scottish Executive EU Office Staff and Scottish Executive Secondees working in Brussels. Mr Kerr closed the ‘Natural Elements’ Art Exhibition in Scotland House. |
| 11 | **Remembrance Day 2003**  
Mr Kerr attended the Armistice Day Service of Remembrance at St George’s Memorial Church in Ypres and then took part in the ceremonials at the Ypres town war memorial and at the Menin Gate and laid wreaths on behalf of the people of Scotland. He also visited the Seaforth Highlanders Cemetery near Ypres to pay his respects to those buried there and to lay a wreath. |
| 24 | **Digital Art Exhibition opening**  
‘Agile Process: A New Economy for Digital Arts in Scotland.’ The exhibition was opened by Nicol Stephen MSP, Minister for Transport, and was created by the Centre for Contemporary Arts (CCA), and curated by Francis McKee. |
| 25 | **Round table - Future of Creativity**  
Scotland Europa, in partnership with the British Council held a round table bringing together 30 artists, academics, entrepreneurs, funders and policy makers from around Europe to discuss the development of entrepreneurship in the creative industries, with a view to identifying and sharing international best practice.  
The discussion centred around a number of key questions: How important are the Creative Industries? In what ways are the creative industries different from other businesses? What are their particular problems / issues / concerns? How should entrepreneurs in the creative industries be best supported? What are public bodies currently / intending to do? What can we learn from elsewhere in Europe? |
| 26 | **The Electronic Communication Guidelines: A Regional Perspective**  
Scotland Europa and IANIS (the Innovative Actions Network for the Information Society) organised a policy forum on the European Commission guidelines on criteria and modalities of... |
implementation of Structural Funds in support of electronic communications. It was the first time that the Guidelines had been officially presented by the Commission and the seminar included talks from Commission officials from DG REGIO, DG Competition and DG Information Society.

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<tr>
<th>Date</th>
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<tr>
<td>27</td>
<td><strong>St Andrews Day Lecture</strong></td>
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<td>Baroness Helena Kennedy QC, Chair of the British Council spoke on the topic of ‘Cultural Conundrums in the Brave New World.’ The lecture focused on the worldwide problems caused by globalisation and the blurring of lines between nationality and identity. Baroness Kennedy spoke of the ‘warm spaces’ that cultures inhabit and the importance of respecting and being tolerant of those spaces of others.</td>
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<td>28</td>
<td><strong>Scotland Europa Members Meeting</strong></td>
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<td>The meeting focused on ‘Doing Business in the New EU’ and highlighted how enlargement will affect organisations looking to operate in an enlarged Europe. Martin Togneri, Senior Director of International Operations in Scottish Enterprise, spoke about Scottish business in an enlarged Europe, whilst Peter Willman of the Scottish Executive EU Office outlined our priorities for the next year. The afternoon session included a speech by Deputy First Minister Jim Wallace QC MSP and a talk by Laurie Russell of Strathclyde European Partnership. Afterwards representatives from the City of Tallinn, The City of Gdansk and the Czech Centre Brussels gave presentations on how enlargement will affect their regions.</td>
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<tr>
<td>December</td>
<td><strong>Natural Resources &amp; Waste Seminar</strong></td>
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<td>2003</td>
<td>The event was chaired by Sir Ken Collins, Chairman of the Scottish Environment Protection Agency (SEPA) and assembled a broad range of speakers. Grant Lawrence of DG Environment represented the European Commission. Speaking about Scottish initiatives were John Ferguson of SEPA’s National Waste Strategy Unit, Madeleine Smith of Scottish Enterprise Dunbartonshire, Peter Cullen of the Scottish Energy Efficiency Office and Niall Stuart of the Federation of Small Businesses in Scotland.</td>
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<tr>
<td>3</td>
<td><strong>Scottish - Bavarian Evening</strong></td>
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<td></td>
<td>Whisky Tasting was organised with the Bavarian State &amp; Länder Offices. This event was to celebrate the Scottish-Bavarian Agreement as well as to promote the existing Scottish Bavarian relations and to encourage further joint working between the Scottish Executive, Scotland Europa and Bavaria.</td>
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<tr>
<td>11</td>
<td><strong>Opening of New Europe series of films, with a film from the Czech Republic PHOTO</strong></td>
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<tr>
<td>January</td>
<td>Opening Reception in Scotland House followed by the showing of “Divided We Fall” by Jan Hrebejk</td>
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<td>2004</td>
<td><strong>Scottish Weekend Ghent</strong></td>
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<td>19</td>
<td>The Flemish Caledonian Society celebrated their 25th annual Scottish Weekend in Ghent with support from the Scottish Executive EU Office.</td>
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### Visit and Reception for Royal College of Nurses
A delegation from the Royal College of Nurses (Scotland) visited Scotland House. Their time in Brussels included presentations from the Scottish Executive EU Office and the European Commission, a visit to the European Parliament, and a small evening reception at which a number of Scottish MEPS and other guests were present.

### Districts of Creativity meet in Flanders
Lewis Macdonald MSP, Deputy Minister for Enterprise and Lifelong Learning, led a delegation of business interest to this forum which was restricted to invitations issued by the Flanders government to Scotland, Baden Württemberg, Catalonia, Karnataka, Lombardy, Maryland, Nord-Pas-de-Calais, Quebec and Shanghai. The Scottish delegation comprised the Scottish Executive, Scottish Enterprise (Fife), Highlands & Islands Enterprise, SCDI, Edinburgh Chamber of Commerce, West Lothian Chamber of Commerce, the Scotch Whisky Association, the Scottish Road Haulage Association, The Lighthouse and the Institute for System Integration.

There were presentations about ‘Good Practice’ from the participating regions.

**Case Study: Proof of Concept**
Proof of Concept is a unique Scottish initiative that addresses a gap in the market, between scientific discovery and prototype or proof of concept stage. Proof of Concept funding allows academic innovative thinking at a pre-development, conceptual stage (that would normally be considered too risky a venture for conventional methods of funding) to be developed for the marketplace and used as a basis for growing businesses. Some of the earlier Proof of Concept funding projects are now reaching completion and early indications are very encouraging with over 80% likely to succeed. The funding is managed by Scottish Enterprise, mainly through the cluster teams, and open for bids from Universities, research institute laboratories and NHS Trusts.

### Reception for Czech Regions
On 23rd February Scotland House played host to representatives from the 14 kraj (regions) of the Czech Republic who were on a fact finding mission to Brussels supported by the British Embassy in Prague. Three of the party later spent the best part of a day in Scotland House work shadowing.
Annex B: Season of Films by Accession Countries

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>January 18</td>
<td>Opening Reception in Scotland House followed by the showing of &quot;Divided We Fall&quot; by Jan Hrebejk</td>
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<tr>
<td>January 27</td>
<td>A film from Poland Reception in Scotland House followed by the showing of &quot;A Week In The Life Of A Man&quot; by Jerzy Stuhr</td>
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<tr>
<td>February 10</td>
<td>A film from Lithuania Reception in Scotland House followed by the showing of &quot;The Lease&quot; by Kristijonas Vilsinunuas</td>
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<tr>
<td>February 24</td>
<td>A film from Slovakia Reception in Scotland House followed by the showing of &quot;Cruel Joys&quot; by Juraj Nvota</td>
</tr>
<tr>
<td>March 1</td>
<td>Second showing of Slovakian film &quot;Cruel Joys&quot; by Juraj Nvota</td>
</tr>
<tr>
<td>March 8</td>
<td>A film from Slovenia Reception in Scotland House followed by the showing of &quot;Spare Parts&quot; by Damjan Kozole</td>
</tr>
<tr>
<td>March 9</td>
<td>Second showing of Slovenian film &quot;Spare Parts&quot; by Damjan Kozole</td>
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</tbody>
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DEPUTY CONVENER’S REPORT

1. **Response of the Scottish Executive and UK Food Standards Agency to the Committee’s letter regarding the concerns raised in Petition PE 738 on European Food Supplements Legislation.** Members may recall discussing the issues raised in Petition 738 regarding EU food supplements legislation. On 1 July 2004, the Committee wrote to the Executive asking for further information. The Executive has now responded enclosing also a letter from the UK Food Standards Agency (see Annex A for copies of correspondence). The Deputy Convener now recommends that:

   Members thank the Minister and UK Food Standards Agency for their replies. Members may wish to note that in the view of the petitioners, the Minister is wrong to say that he should not intervene in the scientific debate and that the figures arrived at will not be set by scientists, they will be set according to what large and powerful member states feel is acceptable to their populations. Finally, in the view of the petitioners, UK and Scottish Ministers have been slow in discussing the issue of Maximum Permitted Limits with the European Commissioner. Members may like to consider what, if any, further action they wish to take on this matter.

2. **Implementation of the Biofuels Directive (2003/30/EC).** Members will recall that one of the functions of this Committee is to scrutinise the transposition and implementation of EU legislation in Scotland. This is done primarily from the perspective of adherence by the Executive to timetables for transposition and also to monitor recourse by the Executive to section 57(1) of the Scotland Act (which enables Westminster to legislate UK- or GB-wide to give affect to EU obligations in devolved policy areas).

   In respect to the latter, the Executive has given notice that in relation to the implementation of the Biofuels Directive (2003/30/EC) that it sees no reason to differentiate the setting of indicative targets for biofuel sales in 2005 and 2010 across the UK. The Deputy Convener now recommends that:

   Members consider the reasoning set out in the Executive’s letter (Annex B) and judge if they are content.

Irene Oldfather MSP  
Deputy Convener  
20 September 2004
Dear Malcolm,

Re. Petition PE 738 - European Food Supplements Legislation

The European and External Relations Committee have been sent a Petition (PE 738) for interest on the subject of food supplements and EU legislation. This was considered at our meeting of 22 June and we agreed unanimously with the Petitioners that the rights of Scottish consumers to continue purchasing the vitamin and mineral products currently available in Scotland are likely to be restricted by forthcoming legislation unless the Scottish Executive acts to protect those rights.

The Petitioners pointed out to us that Maximum Permitted Levels (MPLs) are currently being established by the European Commission in a procedure that is likely to last about one year from now. Then the Commission is likely to seek to bring forward its findings by means of a Directive. The Petitioners fear, we believe rightly, that as only a minority of Member States (the UK, Netherlands, and Irish Republic) have liberal legislative regimes, i.e. permitting the sale of high-dose vitamin and mineral supplements, that the decision on MPLs will ultimately be a political one rather than one where an evaluation of the science and real risk is taken into account.

We support the Petitioners fear that the real reasons for a potentially restrictive decision will be hidden behind neutral phrases such as 'nutritional need' and 'risk management'. If this is in any way reflective then we must insist that any forthcoming legislation is proportionate.

Generally, the Committee fails to see the need for harmonising EU legislation in this kind of area where we already have strong consumer protection legislation through the Food Safety Act and Food Labelling Act. We feel that this kind of legislation is not in anyone’s interests.

The Committee urge the Scottish Executive to press the European Commission to establish MPLs close to those currently available in Scotland. If necessary, the Scottish Executive should lobby for a derogation ensuring a harmonised market in the rest of the EU but with the current high levels of consumer protection and freedom of choice to be sustained in Scotland. Failing this, we believe that the EU legislation should be repealed, as per the findings of our predecessor Committee in March 2003.
I would be grateful if you could reply to us regarding our points by 8 September 2004. This will enable us to consider your response at an early meeting following the summer recess.

For your interest, I will be sending a copy of this letter to the Convener of the Health Committee and the European Commission for their interest.

Executive’s response (23 July)

Making and laying of legislation.

The Food Standards Agency Scotland consulted on the draft regulations and Regulatory Impact Assessment from 22\textsuperscript{nd} November 2003 to 21\textsuperscript{st} February 2004. 11 replies were received. The Scottish Statutory Instrument (SSI) was laid before Parliament on 5\textsuperscript{th} June 2003 and discussed at the Subordinate Legislation Committee on 17\textsuperscript{th} June 2003. The Health and Community Care Committee called the Deputy Minister for Health and Community Care and the Petitioners for Public Petition PE 584 for evidence at its meeting on 25\textsuperscript{th} June 2003. As stated in my reply to the European Committee report, the SSI made full use of all the derogations available.

Judicial Review of English and Welsh Regulations

The Scottish Executive is aware that the National Association of Health Stores and the Health Food Manufacturers' Association have challenged The Food Supplements (England) Regulations 2003 and The Food Supplements (Wales) Regulations 2003 on the grounds that the underlying Directive is in part invalid because of incompatibility with Community law. They sought a reference to the European Court of Justice (ECJ) regarding the validity of the relevant parts of the Directive and the quashing of the relevant part of the England and Wales Regulations. At a court hearing in London on 30 January 2004 the judge gave permission for judicial review of the Regulations and ordered that there be a reference to the ECJ for a preliminary ruling in respect of the validity of the Directive. Formal reference to the ECJ was sent in March 2004. The ECJ normally takes approximately 24 months to give a preliminary ruling; however the national court has requested expedition by the ECJ.

The Food Supplement (Scotland) Regulations 2003 and similar Regulations that are in place in England, Wales and Northern Ireland, which implement EU Directive 2002/46/EC, will come into force on 1 August 2005 and remain in place pending the outcome of the ECJ ruling on the Directive and the subsequent judicial review of the Regulations.

Dossiers for positive lists

At the time of my previous reply to the European Committee, the manufacturing industry had anxieties about the cost of dossier production and the timescale for dossier submission. In order to address these concerns, the Food Standards
Agency had approached the European Food Safety Authority (EFSA) to facilitate a meeting between the EFSA and food supplements manufacturing industry. This constructive meeting took place on 14th Oct 2003. Discussions at this meeting suggested dossier preparation costs for many of the ‘missing’ substances would be significantly lower than previously estimated. The Food Standards Agency Scotland sent a letter to interested parties, Annex A, summarising the meeting and providing contacts for detailed information.

The Food Standards Agency is aware that industry is currently preparing a small number of dossiers. It is important to remember that the cut off date of 12 July 2005 only applies for continued permitted use of products that were on the market on the date the Directive came into force (12 July 2002) and which contain substances not currently on the positive lists. In future, a substance may be added to Annexes I and II in the Directive on the recommendation of the standing Committee on the Food Chain and Animal Health following a positive opinion from the EFSA; the Regulations would then be updated accordingly.

**Setting of Maximum Levels**

**UK**

The Expert Group on Vitamins and Minerals (EVM) was an independent group, established in 1998, to review the safety of high dose vitamin and mineral food supplements. It was comprised of 12 independent experts - 11 from the medical and scientific community, one lay member, and four observers representing consumer organisations, the health and food industries, and alternative medicine interests. The EVM was committed to transparency and openness in its workings. The reviews of individual nutrients were publicly released to allow the opportunity for comment or submission of relevant information as reviews progressed over the 4 years of its work.

The EVM carried out a detailed nutritional and toxicological review of thirty four vitamins and minerals, with particular reference to safety in long-term use. Safe upper levels were suggested for eight of them, guidance suggested for twenty three, and statements were issued for three minerals. The final report of the EVM was published in May 2003 and is available at: [http://www.food.gov.uk/multimedia/pdfs/vitmin2003.pdf](http://www.food.gov.uk/multimedia/pdfs/vitmin2003.pdf)

This final report will form the basis of the UK negotiating stance on maximum levels of food supplements in European discussions. The Executive is not considering any further research into maximum levels. The Food Standards Agency has sent copies of the EVM report to the Commission, other Member States and the European Food Safety Authority to inform their opinion.

**European Food Safety Authority**

The European Food Safety Authority is continuing the work on safe upper levels for intakes of vitamins and minerals begun by the Scientific Committee on Food. The opinions of the EFSA Scientific Panel on Dietetic Products, Nutrition and Allergies are being published on the EFSA web site as each individual substance
is assessed. EFSA is not expected to complete this work until summer 2005 at the earliest.

**European Commission**

The Commission will not publish a proposal on EU maximum limits until EFSA complete the assessment above. However, Food Standards Agency officials, on behalf of the UK, continue to press the case for safety-based maximum limits in a range of international fora. Officials are following the progress on EFSA’s assessments carefully and keeping in close contact with the Commission officials who will in due course draft the proposal on EU maximum levels.

**Consultation**

The Food Standards Agency Scotland will consult when the Commission proposals on maximum levels are published and on the draft Scottish Statutory Instrument which will include a Regulatory Impact Assessment.

**Conclusion**

I am content that the report of the Expert Group on Vitamins and Minerals provides robust scientific evidence for maximum safe levels and that the Executive does not require to carry out any further research on this topic. However, I would again emphasise that if there is any scientific evidence not previously considered by the EVM, it should be brought to the attention of the Food Standards Agency.

The Deputy Minister and I continue to keep in close contact with officials at the Food Standards Agency Scotland. I am aware of the petitioners concerns on maximum limits. However, it would not be appropriate for a Minister to seek to intervene in the independent process of scientific risk assessment that EFSA is currently undertaking. I agree that the officials in the Food Standards Agency should continue to argue strongly within the EU that maximum limits should be set at levels which protect the public’s health but which neither unnecessarily limit consumer choice nor unduly restrict trade.

I hope the committee find this a useful update of the current situation.

MALCOLM CHISHOLM

**Letter from the UK Food Standards Agency (13 November 2003)**

**Food supplements nutrient source dossiers: meeting with European Food Safety Authority 14 October 2003**

On 14 October representatives of UK food supplements industry trade associations and representatives of the European Food Safety Authority (EFSA) met to discuss requirements for dossiers supporting addition of nutrients and nutrient sources to the lists appended to the Food Supplements Directive. I am
writing now to tell you the outcome of this meeting which the Food Standards Agency had sought and which the Agency attended as an observer.

In summary, the chair of the EFSA scientific panel on food additives, flavourings, processing aids and materials in contact with food indicated that

- the panel is keen to avoid any unnecessary tests, particularly those involving animals. The administrative and technical data set out in sections 1 and 2 of the SCF Guidance on submissions for safety evaluation of sources of nutrients or of other ingredients proposed for use in the manufacture of foods are important as they establish the identity and purity of the material, and full information on these is needed. As for the biological and toxicological data in Section 3, applicants should submit available safety data and EFSA would then advise whether further data were required. The situation is set out in the minutes of the 9 July meeting of the panel which I have enclosed and are also available at: http://www.efsa.eu.int/pdf/minutes_afc_02_adopted_en.pdf;

- in deciding what further data may be required, the panel will take into account similarities with substances which have already been approved either as nutrient sources or as additives. In these cases, references to the relevant assessment (e.g. additive, parnuns or JECFA assessment) should be supplied.

- bioavailability is an important characteristic and will affect the toxicology requirements. Information will be required when bioavailability is different from that of sources already listed;

- combined dossiers for similar substances (e.g. different salts of a ‘new’ anion) will be welcome;

- the requirement at section 2.6.1 of the SCF guidance. for ‘justification’ of a new source could be fulfilled by simply indicating that a ‘different’ source was needed;

- sources of nutrients not on Annex I are likely to require significant toxicological data.

The Food Standards Agency is very pleased with the constructive discussions that took place during this meeting and which suggest that dossier preparation costs for many of the ‘missing’ substances will be significantly lower than previously estimated.

The Agency will continue to liaise with EFSA and European Commission representatives on this issue. I would also like to take this opportunity to reiterate the offer of my colleague Dr Diane Benford in the Agency’s Chemical Safety and Toxicology Division to comment on proposed dossiers before submission to the Commission providing that such requests are made in a co-ordinated fashion that plenty of time is allowed.

Claire Moni, Food Standards, Diet and Nutrition
LETTER FROM THE SCOTTISH EXECUTIVE ON THE IMPLEMENTATION OF THE BIOFUELS DIRECTIVE (2 July 2004)

The Biofuels Directive (2003/30/EC) came into force in May 2003, and requires Member States to set indicative targets for biofuel sales in 2005 and 2010. The Directive also includes reference values for Member States to take into account in setting their own targets. The Directive requires Member States to transpose the Directive into law by the end of 2004, and the Commission asked signatories for an indication of their 2004 targets by the beginning of July.

The setting of targets for the use of biofuels is devolved and it would be possible for the Scottish Executive to propose different targets to those being developed in England and Wales. However, I see no advantage in pursuing different targets in Scotland and prefer to see a co-ordinated UK approach. I have written to David Jamieson MP, Parliamentary Under Secretary for State at the Department for Transport about this.

In consultation with the Scottish Executive, the Department for Transport published a consultation paper Towards a UK Strategy for Biofuels on 26 April, covering Scotland, England and Wales. That consultation paper includes a proposed target that biofuels should form 0.3% of all fuel sales by volume by 31 December 2005, representing a tenfold increase on today’s levels of biofuels sales.

I am sending a copy of this letter to Bristow Muldoon, as Convener of Local Government and Transport Committee.

ROSS FINNIE
Introduction

1 At its previous meeting, Members asked the Clerk to bring forward a paper on the issue of the EU Fisheries Control Agency and specifically the concerns regarding its remit and functions. It was agreed that this matter should be considered within the Committee.

2 Annex A sets out some background to the Agency and poses a number of questions that Members may wish to consider. In addition, Members may wish to consider how to take forward this investigation. The options proposed would be:

   Option A – to task the Clerk and/or SPICe with answering the questions posed in Annex A and bring back a further paper. This may involve making contact with key organisations on the Committee’s behalf. It would also involve working closely with Elspeth Attwooll MEP, who has been appointed as the European Parliament’s rapporteur on this issue, and other MEPs with an interest.

   Option B – to appoint a Committee Reporter(s) to take forward the investigation on the Committee’s behalf and for him/her to draft a paper and liaise with the Clerk to bring back this back to the Committee. This may involve the Committee Reporter(s) making contact with key organisations on the Committee’s behalf. It would also involve working closely with Elspeth Attwooll MEP, who has been appointed as the European Parliament’s rapporteur on this issue, and other MEPs with an interest.

   Option C – to launch a short, focused full-committee Inquiry into this subject. Please note, this could impact on the Committee’s current programme of work and may not be possible in terms of the prevailing timetable for decision-making in the EU.
Recommendation

3 Members consider the questions posed in Annex A. In addition, Members may like to discuss the above options and agree how they wish to proceed with this investigation.

Stephen Imrie
Clerk to the European and External Relations Committee
The Scottish Parliament
Tel: 0131 348 5234
Email: europe@scottish.parliament.uk
Background to the EU Fisheries Control Agency

On 28 April 2004, the European Commission published a proposal to establish a Community Fisheries Control Agency. According to the European Commission, the Agency will strengthen the uniformity and effectiveness of enforcement by pooling EU and national means of fisheries control and monitoring resources and co-ordinating enforcement activities.

In its view, this operational co-ordination will help tackle the shortcomings in enforcement resulting from the disparities in the means and priorities of the control systems in the Member States. The Agency will organise the deployment of national control and inspection means according to an EU strategy. Its tasks and mandate will be defined in close co-operation with the Member States in accordance with EU objectives and priorities. Last December, the European Council welcomed the Commission’s intention to propose the creation of the Agency and decided that it would have its seat in Spain.

The Agency will organise the joint deployment of the national means of control and inspection (surveillance vessels, aircraft, vehicles and other equipment as well as inspectors, observers and other staff) according to an EU strategy. Joint deployment plans will be agreed by the Agency and the Member States concerned on the basis of identified criteria, benchmarks, priorities and common inspection procedures.

Multinational teams will be set up for inspection at sea and onshore in identified areas and on identified fisheries and fleets at given times. The Member States concerned will adopt the necessary measures to undertake the joint control and inspection activities.

In the Commission’s view, the Agency will provide support to the Member States in meeting their responsibility not only in EU waters but also in relation to fisheries agreements concluded with non-EU countries. It will also be active on the high seas under international control and inspection schemes agreed within the framework of Regional Fisheries Organisations such as the North-west Atlantic Fisheries Organisation (NAFO) or the North-East Atlantic Fisheries Commission (NEAFC).

The tasks involved will also include training of inspectors, provision of equipment and services for control and inspection, co-ordination of the implementation of joint pilot projects to test new control and inspection technologies, development of joint operational control procedures or establishment of criteria for the exchange of means of control and inspection.

In addition, the Agency may offer contractual services which Member States will be able to request and for which they would be charged. These services may range

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from chartering and manning an inspection vessel to contracting observers on board fishing vessels.

To help the Agency in its tasks, an EU fisheries monitoring centre using satellite tracking technology to provide information regarding the location and movements of EU vessels will be established.

The Agency will have an Administrative Board made up of representatives of the European Commission, the Member States and the fishing industry. The Board will establish a Work Programme for the Agency. It will also appoint the Executive Director. The Agency will have a staff of 49.

Now that the issue of location has been resolved, questions have been raised regarding the remit and functions of the new Agency. Elspeth Attwooll MEP (ELDR, UK) was appointed as the European Parliament’s rapporteur.

Timetable

The Agency was proposed in April 2004. The European Parliament’s rapporteur has indicated that her report should be prepared by the end of October 2004, for adoption in February 2005. It is envisaged that the subsequent Fisheries Council (under the Luxembourg Presidency) would then take the final decisions on remit and functions.

Key issues

Following some discussions with the EP’s rapporteur, it would appear that the following are the outstanding areas of concern:

- The implications for regional management of fisheries
- The implications for the inspection of non-Community vessels fishing in Community waters (Norway, Russia etc.)
- The balance of control within the Agency, particularly the balance between the member states, the European Commission, the fishing industry and other interests
- Any possible link to the harmonisation of minimum penalties
- Democratic scrutiny over the work of the Agency
- The value for money offered by the Agency.

Key stakeholders

Scottish Fishing Industry representatives
Scottish Executive
European Commission
Environmental NGOs
Scotland’s MEPs
Introduction

1 One of the core scrutiny tasks that the European and External Relations Committee conducts is the analysis of information received from the Scottish Executive on meetings of the various Council of the EU formations (formerly known as the Council of Ministers).

2 Two types of information are shared with the Committee under the agreement between the previous Committee and the Executive. First, a few weeks in advance of a Council meeting, the Committee is provided with an annotated agenda of the Council. This sets out the nature of the agenda and the Executive’s views on the items in question where it has a competence. The Executive’s views tend to be italicised so as to stand out for the reader. Members should be aware that often the agenda is a ‘best guess’ and second, the views provided are designed not to prejudice the UK’s negotiating position whilst still providing sufficient information for Members to have an understanding of the subject.

3 Second, following the meeting of the Council, within a few weeks, the Executive provides the Committee with a post-Council report, detailing attendance and the discussions that took place.

4 These two types of information give rise to the shorthand terminology of ‘pre- and post-Council scrutiny’ for this particular task of the Committee. In scrutinising the material, the Committee has a range of options:

   - note the material having placed it into the public domain for others to use
   - ask for more written information from the Executive
   - invite the relevant minister to attend the next committee meeting for further discussions

5 The nature of the scrutiny to be undertaken by Members should be focusing on two distinct areas. As a first priority, the Committee should aim to focus on the Council agenda items that make reference to early,
formative discussions (e.g. on Green Papers, White Papers, Commission Communications, orientation debates etc.) in the Council. This is an indication that the decision-making process for these agenda items in the Council is at an early stage. It is here that the Committee might best influence the minister's thinking early on.

6 As a second priority, to be used perhaps only occasionally, the Committee may choose to focus upon agenda items nearing final decisions.

7 In a new development for session two of the Parliament, the relevant sectoral information is being sent directly by the relevant minister to other subject committees. This means, for example, that in addition to this Committee receiving fisheries information, the Environment and Rural Development Committee is simultaneously in receipt of the same information.

8 What this means for this Committee is that any further dialogue with the Executive is best done in co-ordination and co-operation with the dialogue that another committee may choose to undertake. Members should note that such as system does not preclude the European and External Relations Committee from engaging with all the material and information received. On occasions, it may be that an issue is pressing, but a subject committee has no time in which to deal with it and therefore this Committee may tackle the issue. This system requires good communication between conveners and between clerks, and close co-operation between the clerks and officials in the Executive.

This paper

9 Based on experience from session one of the Parliament, these papers are best sub-divided into two sections. Annex A contains a summary table, with the Convener’s recommendation(s) for each Council agenda/report. Annex B contains the full information provided by the Executive for each of the Councils being considered at today’s meeting.

Action requested

10 Members are requested to consider the recommendations set out in the table in Annex A in light of the information provided by the Executive, set out in Annex B.

Richard Lochhead MSP
Convener
Email: europe@scottish.parliament.uk
## SUMMARY TABLE OF CONVENER’S RECOMMENDATIONS

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<tr>
<th>Council</th>
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<tr>
<td>Employment, Social Policy, Health and Consumer Affairs Council, 4 October</td>
<td>Due 13.9.04</td>
<td>No information has been received from the Executive</td>
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<tr>
<td>Transport, Telecommunications and Energy Council, 7 October</td>
<td></td>
<td></td>
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<tr>
<td>Yes</td>
<td></td>
<td>To note the report and thank the Department for its comprehensive analysis.</td>
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<tr>
<td>General Affairs and External Relations Council, 11 October</td>
<td>Yes</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>To note the report and ask that the Executive keep the Committee informed regarding the discussions on the progress of the Lisbon Strategy, following the publication of the Kok II report, and the discussions on the EU’s Financial Framework for 2007-2013</td>
</tr>
<tr>
<td>Environment Council, 14 October</td>
<td>Due 23.9.04</td>
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<tr>
<td>Agriculture and Fisheries, 18 October</td>
<td>Due 27.9.04</td>
<td></td>
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</table>
Pre-Council Report- Employment, Social Policy, Health and Consumer Affairs Council, 4 October

No information has been received from the Executive
LAND TRANSPORT


− Political agreement

This Directive would revise the 1999 regulation which currently permits only either a time based or distance based charge for lorries on the motorway network of any Member State. The UK Government’s response supported the proposals for:

Applicable Vehicles - all vehicles of 3.5 tonnes and over.
Geographical Scope - Directive would apply to the trans-European road network (TERN), but current proposals will not apply to minor roads
Off-setting tax cuts

However the UK Government has raised concerns over:

• Rate Structure
The Government wants to ensure that the rate structure is not too prescriptive and does not impose an unwarranted limitation on a Member State's ability to charge appropriately within objectively defined criteria and in accordance with Treaty principles.

• Variable Rates of Charge
The Government welcomes variability but wants to secure sufficient flexibility for the UK to achieve its policy objectives within the spirit of the proposals, i.e. vehicles which impose more external costs should pay more. For example, vary the charge according to the day of the week as well as time of day.

The Government is also concerned that the proposals relating to a mark up of up to 25% in areas of environmental sensitivity, after consultation with the Commission, is implemented in accordance with Treaty principles such as proportionality and non-discrimination and that the UK haulage industry operating in other Member States are not disadvantaged in any way. More generally, the Government also want to ensure, as negotiations progress, that emerging legislation provides adequate protection for UK hauliers operating elsewhere in the EU.

• Use of revenues
As a tax, the Government does not accept that it is appropriate to hypothecate toll receipts to the transport sector. Equally, it does not accept that there should be any requirement to establish an infrastructure supervision authority to monitor the system of tolls or charges to ensure transparency and non-discrimination and to verify that the revenue from tolls and user charges are used for projects in the transport sector.

The UK Government supports the principle of amending the Directive to become consistent with an EC White Paper issued in 2001 and with DfT plans; at this stage we see no reason why the Executive’s view should vary from that of DfT’s.
Agreement on the interoperability of Member State systems is important for implementation of the UK’s plans to introduce Lorry Road User Charging (LRUC) effectively and within a realistic timescale (currently targeted to be introduced in 2008). LRUC is in fact a tax and its implementation is reserved for Westminster, however, the haulage industry in Scotland is keenly interested in LRUC and its possible effects here. We are, therefore, keeping in touch with Customs and Excise (who have the implementation lead in the UK). In terms of developing LRUC technology, there may also be an overlap with the Executive’s policies on road user charging.

Proposal for a Directive on the introduction of a River Information Services (RIS) system

The proposal’s intention is to reduce waiting and transit time for ships crossing between different RIS systems, and to give a greater incentive for freight travelling via other modes to be shifted onto inland waterways. The proposal would only cover traffic on major (“UN Class IV”) waterways crossing national borders, and so would not be directly applicable in the UK.


The proposed Directive on train driver licensing requires the licensing and certification of all trains drivers and other terrain staff ‘with an indirect role in driving’ working for all train operators and infrastructure managers that require safety certification/authorisation under the (2nd Package) Safety Directive. This means that it will apply to virtually all train operators and infrastructure managers in the UK, including Eurostar and Eurotunnel, with the exception of operations on functionally-separated infrastructure such as the London Underground Ltd’s own network. The Directive sets out detailed requirements for the operation of the licensing system including:

- the need for train drivers to have:
  - a mutually-recognised licence confirming that they meet basic competences in terms of education, fitness etc; and
  - an additional certificate confirming competence in the safety management system of that train operator, including necessary rolling stock and infrastructure knowledge;

- the licence to be issued by the national safety authority or any entity it delegates the task to, provided that there is no conflict of interest; and the certificate by the train operator employing the driver;

- specification of the training, skills and experience required to obtain a licence and a certificate; and requirements for the independent accreditation where the testing of the basic competences needed for the licence is carried out by a body other than the safety authority;
• that application procedure, requirements for periodic checks; and maintenance of a register of licences; and

• the phasing in of the requirements over the period to 2015.

Conclusions

• The Scottish Executive believes that there is little added value of an EU driver certificate in Scotland. For example a driver working exclusively on passenger trains in the north of Scotland will eventually have to meet EU certification requirements.

• This view is shared in general with the rail industry in Scotland. Their view is that certification will not justify the additional overhead and bureaucratic costs of the separate training, recording and reporting systems that will have to be maintained.

• It will not add to railway safety since the EU core Certificate will not address the whole range of skills which are needed to drive a train safely.

• The directive as drafted does not recognise the wide range of skills needed for “train driving” and would apply, without derogation, to any rail-borne transport, including trams, metros and heavy rail.


– General approach

In general, the proposed Directive would create a greater harmonisation of administrative arrangements. There would be a standardised plastic licence for all new licences, and the new licences would have an administrative validity of 10 years. There would also be some tightening of eligibility for driving certain categories of vehicle, with the aim of improved road safety.


– Political agreement

The EU Presidency will aim for a political agreement on this Directive. This issue has been discussed on and off by the Council since 1999, without agreement. The proposal would establish a maximum amount of time across a weekend in each Member State during which lorries could be banned from Trans-European Network routes. The practice of prohibiting lorries from travelling on main routes at weekends has been established in many Member States for many years. The Commission’s intention is to minimise the negative impact on the single market that stems from this temporary loss of mobility of goods. There are no implications for the Scottish Executive.

AVIATION

The following items relate to reserved policy areas, but are important to the general direction of EU aviation.
Amended proposal for a Regulation of the European Parliament and of the Council amending Council Regulation 3922/91 on the harmonisation of technical requirements and administrative procedures in the field of civil aviation (EU-OPS)

− Political agreement

This proposal relates to the harmonisation of technical requirements and administrative procedures, amending Regulation 3922/92 (known as “JAR-OPS” or “EU-OPS”). The European Parliament (EP) adopted the resolution in September 2002. The EP went on to specify the rules applicable to cumulative duty hours. Duty periods may not exceed 190 duty hours in any 28 consecutive days. With regard to rest periods, there are different provisions depending on whether a flight duty period starts at base. For the latter, the minimum rest period must be at least as long as the preceding flight duty or 12 hours, whichever is greater. Away from base, the minimum period is 10 hours, or the length of the preceding flight duty period. The amendment also contains provisions under which the rules may be modified due to unforeseen circumstances in actual flight operations.

The Commission presented a revised proposal in February 2004 which took account of the EP amendments on flight time limitations (FTL) and incorporated all the requirements on cabin crew training obviating the need for a separate cabin crew directive. Texts on FTL and cabin crew provisions (which are acceptable to the UK Government) were presented to the June 2004 Transport Council but no agreement was reached.

The UK Government has stated publicly that it would support the inclusion of harmonised FTL requirements in the proposed Regulation, providing they do not differ significantly from UK requirements. The EP’s proposed amendment, with some minor changes, would be suitable for establishing a baseline European FTL requirement. The proposal has now been discussed and subject to many detailed changes. The EU Presidency text of June 2004 was acceptable to the UK Government.

The Presidency aims to make further progress on the proposal for the harmonisation of technical requirements and administrative procedures, but this will depend on the views of Member States. If bilateral talks are positive, political agreement might be possible at the October Transport Council. If not, the Presidency is minded to leave it to the European Aviation Safety Agency once its mandate is extended. The Presidency hopes that the proposal to do that will be agreed by the Commission in time to allow an exchange of views at the December Council.

A Community aviation policy towards its neighbours: negotiating mandates

− Adoption

The Commission’s Communication “A Community aviation policy towards its neighbours” set out a strategy for the development of aviation relations between the Community and those countries that are, or will shortly be, its neighbours, notably in the Balkans and the Mediterranean Basin. Based on this, the Commission proposed that the Council should authorise it to negotiate an aviation agreement with Morocco, Lebanon, Jordan and a number of countries in the Western Balkans. The UK Government tends to favour an extension of the liberalised single market in aviation south and east. However, some Member Countries, who are the UK’s allies on EU-US, including Italy and Germany, have expressed
strong opposition to the Commission’s proposals. Nevertheless, an aviation agreement with neighbouring countries (especially Morocco and the Balkan states) is probable and the Presidency will prioritise this if necessary.

(poss.) EU-US negotiations for an Air Transport Agreement

− Information from the Commission

The purpose of this Agreement is to achieve an air transport agreement between the EC and the US, creating a Transatlantic Open Aviation Area (OAA). Negotiations are in abeyance following rejection by the US side of the EU proposals aimed at improving the deal rejected by the June Transport Council. The Commission has initiated proceedings against the UK and other Member States and has called for denunciation of existing bilateral agreements with the US. The UK Government, which is considering its response, has so far resisted bilaterals to be done on an EU basis, fearing that it would disadvantage airlines.

The UK Government wants to ensure that any agreement leads to genuine liberalisation in the market for North Atlantic air services, thus meeting the needs of EU consumers and airlines. Securing improved access for EU airlines to the US domestic market is a key policy aim for the UK Government.

Most Member States believe that the current US offer should be rejected. Whether they will all remain firm on this is uncertain. Some have more to lose than the UK if the Commission forces denunciation, and some would like their own “Open Skies” deals with the US. However, heavy handed legal action by the Commission appears so far to have increased solidarity among Member States.

Discussions with the US on an EU-US aviation agreement are not high on the agenda of the Netherlands Presidency. The Commission considers, however, that it is still actively negotiating with the US and it is keen for this to be progressed. The Commission wants to take forward the EU-US technical discussions so that a resumption of formal negotiations can restart after the US elections.
Pre-Council Report - General Affairs and External Relations Council, 11 October

Session on General Affairs

1. Resolutions, opinions and decisions adopted by the European Parliament at its period of session in Strasbourg on 13-16 September 2004

   As this was the first plenary session following the summer, the agenda was fairly light and no major decisions were adopted.

2. Preparation of the European Council (5 November)

   The Council will discuss the preparations for the November European Council meeting. No agenda is yet available for this meeting but two issues are almost certain to feature. Firstly, discussions on the progress of the Lisbon Strategy, following the publication of the Kok II report and secondly, further discussions on the future enlargement of the EU and Turkey in particular.

3. Enlargement

   No further information is available at this time on the specific topics under discussion.

4. (poss.) Terrorism

   No further information is available at this time on the specific topics under discussion.

5. (poss.) Financial Framework for 2007-2013

   No further information is available at this time on the specific topics under discussion.

Session on External Relations

This section relates to reserved issues

1. Iran

2. EU – India

3. Human rights

4. Strategic Partnership on the Middle East and the Mediterranean

5. (poss.) Transatlantic Relations

Likely to become "A" items

This section relates to reserved issues.

Progress of work in other Council configurations
Angola
   review of Common Position

Non-Proliferation
   revision of Code of Conduct on arms exports

Cambodia
   renewal of the Council Decision on small arms and light weapons in Cambodia

Preparation of the 3rd EU – Jordan Association Council
   establishment of the EU Common Position

Relations with Mercosur
   establishment of EU Common Position for the Cooperation Council

(poss.) Preparation accession conference Romania

(poss.) Preparation accession conference Bulgaria

In the margins of the Council

Association Council with Jordan
(poss.) Accession conference Bulgaria
(poss.) Accession conference Romania
Cooperation Council with Mercosur

12.30 – 13.00 hours: Signature of the PCA with Tajikistan (all Member States)
Pre-Council Report- Environment Council, 14 October

No information has been received from the Executive
Pre-Council Report - Agriculture and Fisheries, 18 October

No information has been received from the Executive
Background
This document contains the list of EC/EU documents received by the European and External Relations Committee for this meeting, classified according to which committee(s) the particular document is most relevant to. The document is sent by the European and External Relations Committee to each of the Scottish Parliament’s committees for their attention.

Table of Contents

Note
As a new feature, this list of recent legislative proposals and developments in the EU contains a preface to the Committee Relevancy lists. This preface highlights certain documents considered of ‘Special Importance’ by the European and External Relations Committee, along with a short explanatory note of why they have been highlighted as such.

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<td>Other</td>
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Documents of Special Importance

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<th>Document Title</th>
<th>Explanatory Note</th>
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<tr>
<td>European and External Relations</td>
<td>1448</td>
<td>COM (2004) 534</td>
<td>Communication from the Commission to the Council and the European Parliament on the Mid-term review of the Commission's Legislative and Work Programme for 2004.</td>
<td>This mid-term review of the European Commission's Legislative and Work Programme (CLWP) may be of interest to all subject Committees. However, it will be of greater importance to track documents relating to the Legislative and Work Programme from 2005 onwards. An early briefing from a representative of the European Commission later in 2004 might be useful.</td>
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<tr>
<td>Communities</td>
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<td>Education (to include Young People)</td>
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<tr>
<td>Enterprise and Culture</td>
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<td>Environment and Rural Development</td>
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<td>Equal Opportunities</td>
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<td>Finance</td>
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<td>Health (to include Community Care)</td>
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<td>Local Government and Transport</td>
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rather than an oral communication.

The CLWP 2004 is based on three strategic priorities: accession of ten Member States, stability and sustainable growth. Under each priority, the main political objectives and key initiatives to be undertaken by the Commission are laid out in this paper.

UK Government Explanatory Memorandum available on request.

<table>
<thead>
<tr>
<th>Environment and Rural Development</th>
<th>1441</th>
<th>COM  (2004) 575</th>
<th>Report from the Commission to the Council and the European Parliament on the experience of Member States with GMOs placed on the market under Directive 2001/18/EC and incorporating a specific report on the operation of parts B and C of the Directive. These two related documents dealing with GMOs may be of interest to this Committee. On 17 April 2001, Directive 2001/18/EC of the European Parliament and of the Council on the deliberate release into the environment of genetically modified organisms (GMOs) and repealing Council Directive 90/220/EEC entered into force. This Directive became applicable as of 17 October 2002. According to Article 31(6) of this Directive, ‘the Commission shall send to the European Parliament and the Council, in 2003 and thereafter every three years, a report on the experience of Member States with GMOs placed on the market under this Directive.’ It should be noted that this first report relates only to 15 Member States given that the reporting period in question ended prior to the date of entry for accession countries (1 May 2004). Subsequent three-year reports will, however, include these additional Member States. This report is</th>
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<tr>
<td></td>
<td>1463</td>
<td>SEC (2004) 1046</td>
<td>specifically concerned with Directive 2001/18/EC and the deliberate release of GMOs, although the wider legislative framework is also considered. UK Government Explanatory Memorandum available on request.</td>
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</table>

This Green Paper gives an opportunity for involvement at an early consultative stage. The purpose of this Green Paper is to serve as a basis for discussions about the preparation of a Commission proposal for a new legislative instrument on mutual recognition of judicial decisions relating to non-custodial pre-trial supervision measures. The Commission Staff Working Paper associated with the Green Paper (SEC(2004) 1046) contains a detailed analysis of the relevant legal framework in this area and the Commission’s thinking on how such an instrument could be drawn up.

The Green Paper outlines the reasons for consultation; the need for action; the objectives etc and invites responses to a number of detailed questions. **No deadline is given for responses, but it is better to respond as soon as possible to ensure views are heard.**

UK Government Explanatory Memorandum available on request.
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<tr>
<td>Enterprise and Culture (to include Lifelong Learning, Tourism)</td>
<td>1445</td>
<td>COM(2004) 580</td>
<td>Communication from the Commission to the European Parliament and the Council - The respective responsibilities of the Member States and the Commission in the shared management of the Structural Funds and the Cohesion Fund - Current situation and outlook for the new programming period after 2006.</td>
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<td>Committee</td>
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<td></td>
<td>1451</td>
<td>SCE92004) 1120</td>
<td>Report from the Commission to the Council and the European Parliament on the simplification of the common market organisation in fruit and vegetables - Commission staff working document: Analysis of the common market organisation in fruit and vegetables.</td>
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### Committee Relevancy: Next Meeting **28-Sep-2004**

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|           |        |             | - Statistical evaluation of irregularities  
|           |        |             | - Agricultural, Structural & Cohesion Funds and Own Resources year 2003       |
|           |        |             | - Follow up the Action Plan 2001-2003 and measures taken by the Member States  
|           |        |             | - Implementation of Article 280 of the Treaty by the Member States and the Community in 2003 |
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<tr>
<td>Justice</td>
<td>1457</td>
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<td>Second Annual Report of Eurojust (Calendar Year 2003).</td>
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<td></td>
<td>1432</td>
<td>COM(2004) 554</td>
<td>Proposal for a Council Decision concluding an additional protocol to the Agreement on Trade, Development and Cooperation between the European Community and its Member States, of the one part, and the Republic of South Africa, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Slovak Republic to the European Union.</td>
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<td>1450</td>
<td>COM(2004) 566</td>
<td>Proposal for a Council Decision on the signature and provisional application of an Additional Protocol to the Association Agreement between the European Community and its member States, of the one part, and the Republic of Chile, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Slovak Republic to the European Union; and Proposal for a Council Decision on the conclusion of an Additional Protocol to the Association Agreement between the European Community and its member States, of the one part, and the Republic of Chile, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Slovak Republic to the European Union.</td>
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<td>1452</td>
<td>COM(2004) 578</td>
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<td>Proposal for a Council Decision on the signature and provisional application of a Protocol to the Euro-Mediterranean Agreement between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Republic of Slovakia to the European Union.</td>
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<tr>
<td>1453</td>
<td>SEC(2004) 1099</td>
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<td>Proposal for a Council Decision on the conclusion of a Protocol to the Euro-Mediterranean Agreement between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, to take account of the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, and the Republic of Slovakia to the European Union.</td>
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<td>1460</td>
<td>COM(2004) 559</td>
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<td>Proposal for a Council Decision on a Community position within the Joint Committee on the adaptation of Protocol No.3, concerning the definition of the concept of &quot;originating products&quot; and methods of administrative co-operation, set out in the Agreement between the European Economic Community, and the Swiss Confederation pursuant to the enlargement of the European Union.</td>
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<tr>
<td>1465</td>
<td>COM(2004) 583</td>
<td></td>
<td>Proposal for a Council Decision concerning the signature of the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, to counter fraud and all other illegal activities affecting their financial interests.</td>
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