SPICe The Information Centre An t-Ionad Fiosrachaidh

Constitution, Europe, External Affairs and Culture Committee

14th Meeting, 2021 (Session 6), Thursday, 16 December

Scottish Government's international offices

Context

Today's evidence session with representatives from the Scottish Government's international offices in Berlin, Brussels and London is an opportunity to discuss in detail the role of the Scottish Government's offices in Europe.

It provides an opportunity to discuss how the offices roles have changed as a result of the UK's departure from the EU. In particular it provides an opportunity to discuss the role of the Brussels office in engaging with the EU institutions and EU member states on issues such as the operation of the EU-UK Trade and Cooperation Agreement, the Conference on the Future of Europe and the development of EU policy and legislation in areas such as the European Green Deal, climate and energy.

The Committee may also wish to discuss a number of other issues with the witnesses including:

- · How the offices represent Scotland
- How the offices interact with other Scottish stakeholders in country
- How the offices use soft power to pursue economic and political objectives
- How the offices measure the success of their engagement
- How the offices work alongside the UK Government embassies and consuls and with the UK Government in London.

Overview of offices

Following the Brexit vote, the Scottish Government has sought to further develop its international footprint, opening new offices in <u>London</u>, <u>Berlin</u> and <u>Paris</u>. These offices complemented the Scottish Government's existing offices in <u>Brussels</u>, <u>Dublin</u>, <u>Beijing</u>, <u>Ottawa</u> and <u>Washington</u> <u>DC</u>.

- According to the Scottish Government, the purpose of the international offices is:
- "to promote Scottish interests overseas and strengthen our relationships with countries and continents."
- In addition to the Scottish Government's international presence, <u>Scottish</u> <u>Development International has a large international footprint</u> with over 30 offices across the globe.
- In its <u>2021-22 Programme for Government</u>, the Scottish Government committed to strengthening its Brussels office and to opening a Scottish Government Office in Copenhagen, "to increase Scotland's economic and cultural visibility in the Nordic regions". The Scottish Government also committed to opening an office in Warsaw, during the lifetime of the Parliament.

Aims of offices

In August 2019, the Scottish Government published its <u>strategic objectives for the international offices for 2019-2020</u>. According to the introduction to the document:

"These offices deliver and support our activity, agencies and public and private partners in key locations outside Scotland, building on established expertise. The network provides a focus for Scottish partners needing presence in a country, capital or continent and play a critical role in supporting international collaboration which delivers economic benefits and helps address societal and global challenges.

The scale, scope and focus of this activity varies depending on the specific opportunities in a particular location. However, as a whole, the network will make connections in the development of policy priorities for us to exchange good practice.

Specifically the network is tasked with:

- improving Scotland's international profile
- attracting investment to Scotland
- helping businesses to trade internationally
- promoting and securing Scottish research and innovation capability, partnerships and funding

protecting and enhancing Scotland's interests in the EU and beyond"

Scottish Government office in Berlin

The Scottish Government's office is located within the UK Embassy building in central Berlin. According to the <u>Scottish Government</u>, the work of the Scotland in Germany network includes:

- increasing influence and engagement with Germany
- encouraging increased collaboration between our business, research, education and cultural institutions
- supporting Scottish Ministers, in particular in the areas of trade and investment, higher education, research and innovation
- promoting trade and investment between German and Scottish businesses and organisations
- providing analysis on political and economic developments in Germany

Scottish Government office in Brussels

The Scottish Government shares Scotland House in Brussels with Scotland Europa and Scottish Enterprise/Scottish Development International. The role of the Scottish Government office has changed as a result of the UK's departure from the EU.

According to the Scottish Government, the role of the Brussels office:

"Our work in Brussels includes promoting Scotland's expertise across a diverse range of policy areas. These include areas such as research and innovation, renewables, equalities and other key topics. We also host a range of events at which we showcase Scotland's reputation for cultural excellence and renowned food, drink and hospitality.

Our location at the heart of the EU allows us to maintain a close working relationship with the EU, member states and other national and regional representations

Our goal is to understand and influence EU policies that affect Scotland's citizens, organisations and the economy.

We aim to create opportunities for Scottish cooperation with partners across Europe to benefit from:

- knowledge exchange
- EU funding opportunities
- working with a range of organisations on solutions to shared challenges

- the sharing of values and cultural ties
- increased visibility and influence in areas of mutual interest"

In the <u>2021 Programme for Government</u>, the Scottish Government committed to continuing

"to work with our friends and partners in Europe and beyond to reaffirm diplomatic ties, improve our global networks, enhance international communications activity, and unlock new economic and trading opportunities."

The Scottish Government's office in Brussels is likely to have an interest in tracking the ongoing debate about the future of the EU – through the <u>Conference on the Future of Europe</u>. Focussing on this debate along with the key EU policy discussions on issues such as the European Green Deal, climate change and energy policies are likely to continue to be priorities for the Scottish Government's EU office.

The EU-UK Trade and Cooperation Agreement

The Brussels office will also play a key role in the Scottish Government's efforts to maintain ties with the EU and with EU member state governments. In addition, given the EU-UK Trade and Cooperation Agreement includes powers in devolved areas and the opportunity for the Scottish Government to participate in the Partnership Council and Specialised Committee when issues of devolved competence are discussed, the Brussels office is likely to be the focus of the Scottish Government's engagement with the EU in relation to the operation of the TCA.

The UK-EU Trade and Cooperation Agreement does not contain dynamic alignment measures (i.e. that the parties to the agreement maintain equivalent regulatory standards to each other in future). However, the Northern Ireland Protocol does require dynamic alignment in Northern Ireland with certain EU regulations and directives covered by the Protocol.

Instead of a commitment to dynamic alignment, the level playing field provisions in the Trade and Cooperation Agreement aim to ensure that the standards which applied at the end of the transition period in the areas of labour and social standards, environment, and climate cannot be lowered (so-called non-regression) by either the UK (including by the devolved authorities) or the EU in a way which impacts on trade and investment. In addition, the level playing field provisions mean that if either side seeks to reduce or increase their labour or environmental standards unilaterally, the other party could seek to impose trade restrictions such as tariffs to ensure that no competitive trading advantage can be gained.

Scottish Government commitment to alignment with EU law

Following the UK's departure from the EU there is no longer a requirement to continue to comply with EU law. However, Scottish Ministers have indicated that, where appropriate, they would like to see Scots Law continue to align with EU law.

The Scottish Government's commitment to EU alignment and the commitments in the TCA including the level playing commitments mean awareness and scrutiny of EU legislation is more important than ever. This is because the opportunities for alignment with, or divergence from EU law are greater post exit. As a result, the Brussels office is likely to have a role continuing to track policy and legislative developments in the EU.

In particular, on EU alignment, the Committee will recall that in its response to the Finance and Constitution Committee Stage 1 report on the Continuity Bill the Scottish Government gave a commitment to:

"providing a regular report addressing the EU's upcoming legislative priorities, and how they may impact on devolved interests. The Scottish Government anticipates that this could be agreed as part of the Parliament's involvement in the decision-making framework on alignment, and that an amendment to the Bill is unnecessary. We would also note that the most appropriate moment in time to provide any such report may depend on publications at an EU level, for example of the European Commission's work programme, and that these do not necessarily reflect fixed commitments at an EU level, but often evolve over time after publication."

The Policy Statement and the Annual Report required by the Continuity Act made no reference to the <u>European Commission's work programme for 2022</u> despite it including 42 new policy initiatives. Giving evidence to the Committee, the Cabinet Secretary for the Constitution, Europe and External Affairs agreed that it would be helpful for the Scottish Government to focus on the European Commission's annual work programme and the priorities of the incoming presidencies of the European Union. He suggested that the Scottish Government "could signal what we expect to come through those processes and how we intend to remain aligned with the proposals and priorities."

Developing Scotland's post-Brexit relationship with the European Union.

In January 2020, the Scottish Government published <u>The European Union's Strategic Agenda 2020-2024: Scotland's Perspective</u>. This set out why the Scottish Government thinks the EU's priorities are of importance to Scotland and how Scotland can contribute to their delivery.

The Scottish Government suggested there are opportunities for Scotland in engaging with the EU's work in the following priority areas:

- promoting progressive, democratic values on the world stage
- addressing the challenges presented by the global climate emergency
- promoting the wellbeing of all of society
- creating smart economies which thrive by the intelligent and humane use of new technologies.

The Scottish Government set out the ways in which it would seek to work with the EU following Brexit including:

- proactive and constructive engagement with the EU institutions and other multilateral organisations
- active bilateral collaboration with member states.
- robust and constructive engagement with the UK Government and the other devolved governments to protect Scotland's interests and shape the UK Government's approach to influencing the EU and future international activity.

Scottish Government office in London

The Scottish Government shares Scotland House in London with Scottish Enterprise and Visit Scotland. According to the Scottish Government, Scottish businesses and organisations can apply for membership of Scotland House London that gives them access to its facilities, meeting rooms and event space.

According to the Scottish Government, the role of the office is to:

- pursue economic and business benefits for companies
- raise the profile of Scottish investment opportunities
- support the development of international collaborations and research partnerships
- provide opportunities to secure funding for innovation and research
- strengthen our inter-governmental relations
- help protect Scotland's place in Europe
- support Scottish Ministers on official engagements in London

A further role for the office in London will be how it engages with the UK Government.

Soft power

A number of respondents to the Committee's call for views suggested that the Scottish Government should use culture and soft power to promote Scotland internationally. The Government's international offices have a key role in promoting Scotland's culture and soft power assets and then turning that into concrete benefits such as increased trade opportunities and political cooperation.

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