SPICe The Information Centre An t-Ionad Fiosrachaidh

Constitution, Europe, External Affairs and Culture Committee

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Scottish Government External Affairs Policy Overview

This short briefing provides an overview of the Scottish Government's External Affairs policies. Further reading is available in the SPICe External Affairs Subject Profile and in the chapter A Scottish foreign policy? In the SPICe Key Issues for Session 6 briefing.

Introduction

Throughout the history of devolution, successive Scottish Governments have ensured an international presence and pursued a form of international engagement. This approach dates back to the first Scottish administration which established an office in Brussels in 1999.

The International Framework

The Scottish Government's international policy is underpinned by its International Framework. The most recent iteration of the International Framework was published in December 2017. It sets out outcomes and ambitions both for the Scottish population and for Scotland's businesses and institutions, along with the economy.

The International Framework is targeted toward two overarching objectives:

- "To create an environment within Scotland that supports a better understanding of international opportunities and a greater appetite and ability to seize them".
- "To influence the world around us on the issues that matter most in helping Scotland flourish."

The Framework has a number of aims outlined under four strategic objectives:

- Relationships and partnerships to Strengthen Scotland's external relationships, roles and networks. This includes links with governance bodies in Scotland's identified priority countries along with working with Scottish diaspora in the priority countries.
- Reputation and attractiveness to build Scotland's reputation and international attractiveness. This includes working to promote Scotland's culture and values, boost Scotland's export performance, ensuring that Scotland remains an attractive location for investment and building on Scotland's education research capability.
- Global outlook to enhance Scotland's global outlook which should make Scotland a more attractive place to visit and do business with. This focusses on, amongst other areas, developing trade and investment links and supporting education links.
- **European Union** to protect Scotland's place in Europe. This focusses on the Scottish Government's determination "to protect and further strengthen our relationships with European partners to develop and deliver mutually beneficial outcomes, policies and programmes in pursuit of our objectives".

The Scottish Government has identified a number of "outcomes" and "ambitions" to measure delivery of the International Framework. These come under three categories - "our people", "our businesses and institutions" and "our Scotland". The outcomes and ambitions are shown in the boxes below.

Our People

- Are better able to engage in a global world.
- Are engaged in international exchanges and learning opportunities.
- Are aware of the international environment and Scotland's place in the world.

Our Businesses & Institutions

- Are more globally competitive.
- Are able to cooperate with international partners to exchange knowledge and best practice.
- Are able to maximise and take advantage of export and trade opportunities.
- Are innovative and able to access international funding opportunities.

Our Scotland

- Our economy is stronger and more resilient, there are greater employment opportunities and inequality is reduced.
- Our economic, educational, cultural and heritage strengths are globally recognised, supporting our positive international reputation.
- Our physical and digital connectivity is strengthened and Scotland is viewed as an attractive location to invest in and visit.
- Our international partners are supported in achieving our mutual goals. We show leadership and contribute to reducing global inequality and poverty.
- Our bilateral, multilateral and institutional relationships are strong and we are able to promote our interests overseas.

In the <u>2021-22 Programme for Government</u>, the Scottish Government committed to creating "a new global affairs framework this year to guide Scotland's international engagement, grounded in a values-based approach, and a feminist approach to foreign policy".

The International Framework sits above five engagement strategies focussed on the United States, China, Canada, India and Pakistan. In the cases of the United States, China and Canada, these strategies complement and inform the work of the Scottish Government's international offices in these countries which the Scottish Government describes as "priority locations".

Engagement with the EU

In addition to its other international priorities, a significant focus for the Scottish Government is 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 Scotlish 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.

In March 2021, the Scottish Government published <u>Steadfastly European, Scotland's</u> <u>past, present and future</u>. This policy document set out:

"how Scotland has been - and always will be - steadfastly European, whatever path others choose to take. It gives a tangible flavour of ways in which the Scottish Government wishes to make that mind-set a reality in the months and years to come."

International 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 DC</u>.

According to the Scottish Government, the purpose of the international offices is to:

"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.

International development policy

The Scottish Government's <u>current international development strategy (IDS)</u> was published in 2016. The document sets out the key elements of the strategy which are:

- A Vision that Scotland's IDS contributes to the fight against global poverty, inequality, injustice and promotes sustainable development by embedding the UN Sustainable Development Goals in all that we do.
- The priorities in pursuit of this vision are to encourage new and historic relationships; empower our partner countries; engage the people of Scotland; and enhance our global citizenship.
- Scotland's identified partner countries are Malawi, Zambia, Rwanda and Pakistan. The first 3 countries form the sub-Saharan African project base and there is a strong emphasis on education in Pakistan.
- The Scottish Government's ways of working will involve investing the International Development Fund (IDF); utilising Scottish expertise; collaborating with others; and promoting the <u>Beyond Aid agenda</u>.

The International Development Policy is supported by the Scottish Government's International Development Fund (IDF). When it was introduced in 2005, the IDF was worth £3 million annually. The IDF's value has then increased in stages to total £10 million in 2017-18. The IDF has been maintained at this cash value in the current financial year, alongside £177,000 for administration. In its 2021-22 Programme for Government, the Scottish Government committed to increasing the value of the IDF to £15 million and that future increases to the value of the fund will be in line with inflation. The Programme for Government also saw the announcement of a new £500,000 International Development Women and Girls Empowerment Fund, funding local organisations in partner countries to ensure women and girls are safe, equal and respected.

In 2019, the UK's total overseas development assistance was £15,197 million⁴. The Scottish Government-funded International Development Fund, <u>Humanitarian</u> Emergency Fund and Climate Justice Fund (total value £14 million) form part of the UK's total and represented 0.1% of the total UK spend in 2019.

The International Development policy has three funding streams:

- Development assistance (aid) projects
- Capacity strengthening initiatives
- Commercial investment initiatives

In September 2020, the Scottish Government announced a review of its approach to international development. On 3 March 2021, the Scottish Government provided an update on the results of the review through a <u>Government Initiated Parliamentary</u> <u>Question (GIPQ)</u>. The outcome of the review was reflected in a <u>summary</u> <u>report</u> which was published at the same time.

As a result of the review, the Scottish Government's indicated that the International Development fund will adopt a number of changes. These are set out below:

 Build Back Fairer and Stronger – in an evolution of our funding, we will restructure our current funding streams to focus on sustainable economic recovery and institutional resilience within the key priority areas highlighted by our partner-countries, together with a new Equalities Programme.

- Global South Programme Panel we will establish a panel of 'experts by experience' who principally work and reside in the global south along with representatives of our partner countries' diaspora who reside here in Scotland. This panel will be overseen on the part of the Scottish Government at Ministerial level and will help us ensure that global south voices continue to be heard beyond this Review, at the highest level.
- Updating our Funding Criteria we will adjust our funding criteria to enable more partner-country based organisations to apply direct for funding, by removing the current requirement that Scottish Government international development funding only ever be accessed via a Scotland based organisation.
- Focusing our Offer we will further refocus our international development
 offer, taking account of the constitutional and financial arrangement within
 which we currently operate and addressing the ongoing concern that we are
 trying to do too much given the available resources. In pausing and reflecting
 on where we can best contribute to our partner countries as they build back
 fairer and stronger from COVID-19, we want to ensure a focused approach
 that best matches needs and asks. The main changes in our programme in
 terms of thematic focus will be in Rwanda and Zambia, in response to the
 prioritisation by representatives of those countries' Governments and civil
 society.

The review led to the adoption of eight new programme principles²:

- 1. Partner-led country development
- 2. Equality
- 3. Amplify global-south voices
- 4. Inclusion and diversity
- 5. Collaboration and partnerships
- 6. Innovative, adapting and sustainable
- 7. Embrace technology
- 8. Accountable, transparent and safe

The Scottish Government is now working with its delivery partners and partner countries to implement the changes to its international development programme and fund.

The External Affairs Budget

The 2021-22 Budget allocated £26.6 million for the External Affairs budget line. The International and European Relations budget line is allocated all but £100,000 of the External Affairs budget. There are 13 budget lines in the International and European Relations budget.

International and European Relations budget 2021-22

Level 4 Budget Line	2021-22 Budget (£)
External Affairs Advice and Policy	6.1 million
International Development	10 million
International Development assistance	177,000
Scottish Government office - Canada	570,000
Scottish Government office - China	550,000
Scottish Government office - United States of America	805,000
Scottish Government office - Paris	556,000
Scottish Government office - Brussels	2.3 million
International Relations	236,000
Humanitarian Aid	1 million
Scottish Connections - to support a range of activity aimed at enhancing Scotland's global reputation through continuing commitment to the Brand Scotland collaboration	1.5 million
European Strategy	485,000
Migration Strategy	2.2 million

The Scottish Government hub offices in London, Dublin and Berlin are supported from the Economy, Fair Work and Culture budget. The budget for the external network offices in the Economy budget is worth £3.3 million in 2021-22.

lain McIver, Senior Researcher (Europe and International), SPICe Research

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The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot