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Dear Convener

Thank you for sharing a copy of the Committee's report into your inquiry into the Scottish Government's international work.

I warmly welcome the publication of the Committee's report. This was significantly aided by the recent Parliamentary debate, led by you and with the contributions from members of the Committee as well as other members of Parliament. I would also like to emphasise my thanks in writing to the many organisations and individuals who took the time to provide the written and oral evidence that has helped to inform the inquiry and subsequent report. Collectively this has helped emphasise the cross party ambition, enthusiasm and consensus to make the most of our international activity

I am now pleased to write and respond to the issues raised within the annex to this letter and I hope that the Committee finds this response helpful

Best wishes,

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# **Global Affairs Framework**

The Committee's report places a heavy emphasis upon the importance of adopting a strategic approach, the need for a prioritisation of policies and effective collaboration to encourage policy coherence across our domestic and international focus.

As you are aware, the *Global Affairs Framework* was published on Monday 9 May and sets out the values and principles that underpin our international activity. I am pleased that its content aligns with many of the recommendations in the Committee's report and believe that this framework will support the Scottish Government in making a constructive contribution to addressing global challenges and achieving fairer outcomes.

I strongly agree with the Committee's recommendation that, in addition to a focus on maintaining the best possible relations with Europe, the Scottish Government should adopt a holistic approach to external engagement including in key thematic areas such as trade, culture and education. This is why I am pleased that the *Global Affairs Framework* outlines seven core areas of focus for the Government's international work, bringing together a range of other Government work such as the *Vision for Trade, Inward Investment Plan, Climate Change Plan* and *Arctic Connections: Scotland's first Arctic policy framework*. It also provides a foundation for forthcoming strategies such as the international education and cultural diplomacy strategies, and the Government's feminist approach to foreign policy:

- · Good global citizenship;
- Maintaining the closest possible relationship with the EU;
- Gender equality;
- The climate crisis and climate justice;
- · Respect for human rights and the rule of law;
- The role of our international network, and;
- Scotland's culture.

The ability of a country to deliver its domestic objectives is invariably impacted by wider regional and international factors, and it is crucial that Scotland remains active and effective in how it carries out its international activity. As such, in line with the committee's recommendations, the *Global Affairs Framework* recognises the interlinkages between our domestic and international work and is rooted in the National Performance Framework.

Our international work will contribute to meeting the objectives outlined in the *National Performance Framework*, for example, through supporting the creation of good, green jobs, reducing child poverty, gender and other inequalities at home and overseas, and sharing Scotland's experience in policy-making, while learning ourselves from others.

The *Global Affairs Framework* will serve as a clear guide for the Scotish Government to make a meaningful international contribution, based on our values, and I look forward to engaging with the Committee further on our international work in this regard.

## Relationship with the EU

I very much agree with the Committee's view on the need for a strong relationship with the EU. We have articulated the Scottish Government's intentions in respect of the European

Union as part of policy statement - "Steadfastly European "our underlying, strategic aims in working with the European Union".

On 10 May 2022 we laid our updated policy statement and annual report, alongside the Committee's report. These reflect the helpful contributions received from parliament to improve the transparency and accountability of our approach to using the powers within the Act. We will continue to work with the Committee to help inform our approach to the Act and our wider policy of EU alignment and to ensure effective parliamentary scrutiny.

The response sets out further steps we intend to take to ensure transparency in regard to our strategy on Europe These include regular explanation of the EU's forward work programme and of Scotland's intention in report of forthcoming EU business. My officials will continue discussions with your Committee's clerks on how this might be developed further.

## Concordat with the UK Government on International Relations

The Committee asked for clarification on our position in regards to the status of the 2013 Concordat on International Relations with the UK Government. We do not believe that the Concordat has facilitated good working relations on international matters. While the Concordat has not been superseded, and the principles of the Concordat remain, we have agreed the new Intergovernmental Review structures in the hope they will prove to be more effective and collaborative that the previous intergovernmental arrangements.

#### International Offices

The Committee recommended the Scottish Government undertake to publish an Annual Report setting out the contribution made by the international offices to promoting the values, objectives and priorities of the, as mentioned, *Global Affairs Framework*.

I support the idea of an annual report and the Committee's recommendation echoes work which is being undertaken by my officials. All the Scottish Government's international offices measure their activities, output and successes to inform the focus, prioritisation and rationale for their work. The Committee's report, as well as contributions made during the debate, importantly recognise the challenges in measuring the impact of diplomacy and soft power, as well as quantifying areas through metrics and performance indicators as direct and immediate benefits. We are committed to a continuous process to ensure that our work is measurable, transparent and available to the public. As I emphasised during the debate led by the Committee it will help us to further highligh the breadth of work covered by our international network, a great deal of which is the product of sustained, long-term, in-country planning and engagement, from health collaboration in Ireland to high tech industry in North America to green hydrogen in Germany. I will follow up with the Committee on this area in more detail as our work develops.

The Committee also recommended we provide a detailed justification for any new international offices, including why those locations were chosen and also how they fit with the international offices' own strategic objectives is in line with our ambitions for the international network. The Programme for Government commits to reviewing our approach to future policy and economic engagement with a view to enhancing Scotland's global reach and presence.

In relation to trade and investment, *A Trading Nation*, which was launched in May 2019, was the most detailed examination of Scotland's international export performance and opportunities ever undertaken by the Scottish Government.

This identified that 70% of our future export growth is projected to come from our top 15 export markets. In 2020 Scottish Development International (SDI) – the trade and inward investment agency arm of Scottish Enterprise - reorganised its part of Scotland's overseas network to better tap that growth and fifteen additional specialists were added to the network.

The Scottish Government undertakes preparatory work to assess the rationale for locating a new Scottish Government office or for focusing on a specific country or location. For example factors considered in the decision to establish a Scottish Government office in Copenhagen included:-

- whether there was an existing Scottish presence in a location through e.g. SDI
- the potential for wider bilateral/multilateral engagement (including EU Engagement)
- the strength and depth of existing policy, cultural and trade links between with Scotland
- logistics for example the connections to Scotland and within the Nordic region
- operating costs for example office costs and the costs of living.

We will be undertaking further work in the coming months with the aim of securing the maximum benefit for Scotland from our external networks.

## Cultural Diplomacy

The Committee recommended that the forthcoming Cultural Diplomacy Strategy provide a clear rationale – including priorities and objectives – for its approach to soft power as well as setting out how it will interact with the UK Government's strategy, as presented in its *Global Britain in a competitive age: The Integrated Review of Security, Defence, Development and Foreign Policy.* 

The process through which the Scottish Government's Cultural Diplomacy Strategy will be developed will provide opportunities for interested parties to feed in views and shape this work to ensure strategic coherence. It will aim to build on the Scottish culture sector's existing strengths to amplify what Scotland already does well, while considering how to facilitate new connections and address barriers to international cultural activity.

## Scottish Connections, GlobalScot and Trade Envoys

I was pleased that both the Committee's report and the parliamentary debate recognised the important role that Scotland's extensive diaspora links can play in furthering our international impact and influence and the importance of maximising their potential.

Building on the independent literature review completed in 2021, we have commissioned further independent research into international best practice in diaspora engagement to evaluate how that learning can be applied to Scotland. This research is due to be completed by the end of summer 2022.

The findings of this research will inform our approach to enhancing engagement with our Scottish Connections diaspora community, which incorporates not just those with a heritage link to Scotland but those who work or study internationally, alumni from our institutions and others with an affinity to Scotland. This approach will seek to build on existing networks in order to amplify our international relationships and increase Scotland's global profile.

I also welcome the Committee's recognition of the value of the GlobalScot network. The expansion of GlobalScot and also our Trade & Investment Envoy networks were highlighted within the Programme for Government. This will help to open doors for our businesses and identify opportunities that can support our export, capital investment and foreign direct investment efforts, particularly in countries where our reach is more limited.

<u>GlobalScot</u>, Scotland's international business network connects businesses with a community of internationally based business ambassadors. In collaboration with SDI, we have up the network to 1125 business people in key markets across the globe, including 500 in Europe, and we aim to reach 1500 by March 2023. In July 2020, a revamped GlobalScot digital platform was launched, allowing exporters to connect with GlobalScots more easily and access the one-to-one support, in-market knowledge and real-life advice that will help them establish themselves overseas. A GlobalScot Webinar program delivered strong engagement with exporters; GlobalScot regional advisory groups have been created in Switzerland, Poland, China, Southeast Asia, Ireland, France and Germany. As part of a joint Scottish Government and SDI effort, we are also successfully collaborating with universities to host events in our priority markets and to recruit alumni from Scottish Universities into the GlobalScot network. Following successful stakeholder sessions with GlobalScots and Envoys around the National Strategy for Economic Transformation, officials are working on a forward plan for similar sessions in other policy areas.

<u>Trade and Investment Envoys</u> (Envoys) are a key part of Scotland's international business network. In recent years siginifcant progress has been made to develop this further: we have grown our network from four to eleven Envoys located in Indonesia, United Arab Emirates, Spain, Singapore, Poland, Scotland (Higher Education); two in London (Capital Investment); and three in the US (East and West Coasts). Our Envoys provide ministers with strategic business insights and connections, promote international trade and investment interests and strengthen local market knowledge in the countries and sectors they represent. They have supported ministerial visits, shaped the development of policy/strategies, facilitated Government-to-Government engagement, assisted Scottish companies to expand overseas, participated in the Ministerial Reference Group on Capital Investment, provided expertise on the Dubai Expo Steering Group, and supported the expansion of the GlobalScot network.

## <u>Erasmus</u>

The Committee asked the Scottish Government to consider what other options may be available to replicate the benefits of the Erasmus+ programme; and to outline what work is being undertaken to support academic links and develop opportunities for students and young people.

We recognise the importance of educational mobility and were deeply disappointed with the UK Government's decision not to associate to Erasmus+, which will prevent Scotland from participating fully in its own right after 2022-23. Since the UK Government decision, we have continued to engage in dialogue with the European Parliament and European Commission on how we can maximise our institutions' access to the EU programme.

We recognise the importance of educational mobility. Currently, the Erasmus+ programme is still funding residual projects across Scottish Further and Higher Education institutes, schools, and organisations to which support European and International mobility. In our Programme for Government we have committed to develop a Scottish Education Exchange

Programme to support the international mobility of staff and learners, and to work to secure once more Scotland's access to the Erasmus + Programme.

In 2021, we announced two new initiatives to support engagement with Europe.

- The Saltire Research Awards has supported 93 projects and exchanges through the Royal Society of Edinburgh, and up to 113 PhD exchanges for inward and outward mobility through the Scottish Funding Council's Saltire Emerging Researcher Scheme.
- Secondly, the EU Saltire Scholarship programme has enabled 290 EU students to study within Scottish universities and colleges since the UK left the EU.

We have also developed a pan-European network of future research leaders for 50 early to mid-career researchers through the European Crucible. These schemes provided funds across all research disciplines and career levels with over 20 European (including EEA and EFTA) countries taking part.

Additionally, to help maintain Scotland's place as an outward looking, internationally connected destination for work and study, the Programme for Government committed to developing a new strategy for international education, to promote Scotland's education offer globally, increase the number of international students, and maintain our links with the EU.

## International Development

As I emphasised during the Committee's debate, I pay tribute to the cross-party support that the Scottish Government's international development work finds in the Parliament and specifically through the Committee.

We do not take that support for granted, not least in light of the cuts to aid that the UK Government has made which have had such a devastating impact on the ground in the global south, particularly during a global pandemic.

The Committee's report went into significant detail on various areas related to our international development work and my responses are outlined within individual sections below.

## Funding schemes

The Committee requested an update on the restructuring of funding schemes as set out in our 2021 review of the international development programme, undertaken against the backdrop of the COVID-19 pandemic. That review also considered the impact for our approach to international development arising from the Black Lives Matter movement, which highlighted concerns of systemic racism embedded within global north institutions and attitudes. Our consideration of this issue in relation to our international development programming through the review has been innovative, but has ultimately broadly aligned with the consideration of many leading NGOs on how we support a shift in power to the global south. I am grateful to Scotland's International Development Alliance in particular for their recent focus on this important concept, with their work on exploring practical steps to shifting the power, active anti-racism and decolonisation.

It is important to emphasise that international development finance is only one part of the development toolkit. The impact global north countries have on developing countries goes beyond financial assistance and investment. They achieve this not only across the range of government policy but through encouraging their populations to think about the impact of

their actions on others, whether in relation to climate change behaviours or fair trade choices.

Specifically in terms of our international development finance, however, a restructuring of our funding schemes is ongoing, in line with the outcomes of our 2021 Review. We can provide updates to the Committee as our new programming progresses. I can highlight now that, as set out in the Ministerial statement to Parliament last year on the outcomes of the review, new funding streams will include:

- o funding under a new Equalities programme;
- o funding to support sustainable recovery from COVID; and
- o funding to support institutional resilience.

Additionally, we are progressing implementation of our 2021 Programme for Government commitment to a new £500,000 fund for local organisations in our international development partner countries to take forward work to ensure women and girls are safe, equal and respected. This initiative forms part of our new equalities funding, but is also key in taking forward our commitment to shift power and funding to our partner countries, with direct funding of small grants to local civil society organisations which advance the equality of women and girls and support their rights.

Even as we are programming for 2023+, we continue to support a number of development programmes to their planned conclusion, for example:-

- o our cohort of competitively awarded Malawi projects are still running from 2018-March 2023; and
- we have agreed a one year extension for the majority of our cohort of competitively awarded Zambia and Rwanda projects (2017-22), to now take them also to a new finish date of March 2023.

We aim for new Programmes to start in 2023 and will update the Committee further in due course.

As the then Minister for Culture, Europe and International Development outlined in a Ministerial statement to the Parliament on 3 March 2021, the continuing alignment and adjustment of our Programme will take place incrementally as part of a process of improvement and change, and will include a focus on the balance of spend between Scotland and our partner countries.

The Committee also requested a breakdown of our current international development grants between competitive and non-competitive grants, and the rationale for the approach. Given this request of the Committee for more specific details on budgeting, we will provide that information separately by letter.

We will also continue to publish a full report of all finance spent on the <u>Scottish Government</u> <u>website</u>, and look forward to engaging with the Committee as we develop our next tranche of programming in response to the Internationnal Development review.

#### <u>Malawi</u>

Based on the evidence it heard during their inquiry, the Committee noted the Scotland-Malawi relationship is one based more on common understanding and local partnership than a top-downapproach.

Our relationship with the Government and people of Malawi remains very important to us.

We have been consistently clear that our development work will have at its core, and as a primary focus, the interests of our partner countries - Malawi, Rwanda, Zambia and Pakistan - and of their people.

The new Scottish Government International Development Principles, co-created with civil society in our partner countries and in Scotland a part of the Review also reflect our ethos:

- our Principles include a specific commitment to: partner country-led development; to equality; to diversity and inclusion; and to collaboration and partnership, amongst others;
- our Principles will apply not only to International Development Fund funded work, but more broadly across the Scottish Government's wider international development work; and, crucially, they will apply to our relationship with all four of our partner countries.

#### Policy coherence

With regard to policy coherence, the Committee's report covered a number of areas and recommendations, specifically:-

- in the interests of rigorous decision making and accountability the Committee must be provided with sufficient information to determine where there is policy coherence
- for the Scottish Government to detail all that it is doing to ensure international development issues can help to shape development of its domestic policy agenda
- a recognition that there are assessment tools of which the Scottish Government can make more use of in formulating policy, and likewise for the Scottish Parliament to inform its scrutiny work.

The Scottish Government is taking a strategic approach to policy coherence for sustainable development (PCSD) across Government. This will continue to be led by a Ministerial Working Group on PCSD, in line the commitment in the Programme for Government 2021. This Working Group, chaired by the Minister for Culture, Europe and International Development, will have its next meeting later this month.

We have been working across other ministerial portfolios for a number of years, in line with our commitment in our 2016 International Development Strategy, for example:

- with Net Zero as part of a "do no harm" approach in terms of Scotland's ambitious climate targets; but also by means of the additional contribution made through our separate Climate Justice Fund;
- our collaboration with Health Directorates has already included the establishment of a Scottish Global Health Coordination Unit, and development of the wider NHS Scotland Global Citizenship Programme which has focused on a "do no harm" approach in global health, as well as the additional value Scotland's expertise in health can contribute;
- we co-fund with Education the Development Education Centres (DECs) to support global citizenship education in Scotland's schools;
- with Trade in development of Scotland's Trade Vision, with its commitment to international development and a "do no harm" approach;
- we have fulfilled a Programme for Government commitment to establish a new Global Renewable Energy Centre, working jointly with Energy. The Centre was officially launched on 19 May 2022 at the UN Sustainable Energy for All Forum, renewable energy conference, in Kigali, Rwanda. This Centre will harness expertise from renewable energy experts in Scotland to share learning and support capacity building, through a peer-topeer technical support model with our African partner countries, Malawi, Zambia and Rwanda.

We will continue to co-create and work collaboratively across ministerial portfolio areas and, where possible, with civil society partners. For example, through public procurement we can support ethical and fair trade producers and suppliers. Similarly adopting an approach of PCSD, the new Scottish Government Procurement Strategy 2022-24, published on 28 February 2022, explicitly applies, promotes and recognises a PCSD approach and links to our International Development Strategy, something which the International Development Alliance has advocated.

We note the Committee's request for more information on PCSD and we will provide this as our work develops.

#### Small Grants

As the Committee has acknowledged, the Minister for Culture, Europe and International Development, wrote to the Committee on 2 March 2022, on its question of how the Scottish Government would continue to support the growth of small grass-roots initiatives in Scotland, following the closure of our International Development Small Grants Programme announced in March 2021. International development programme: letter from Minister for Culture, Europe and International Development - gov.scot (www.gov.scot)

The Committee asked to be updated on any further developments in regard to small grants, including the outcome of the Minister for Culture, Europe and International Development's planned discussions with the core funded networking organisations.

As noted in our 2 March letter to the Committee, supporting global citizenship in Scotland has remained a key focus for our programme and we support Scotland's civil society through a range of means. For example, we currently allocate 8% of our International Development Fund annually in core funding to a range of civil society networking bodies to support global citizenship in Scotland and Malawi – not only the Scotland Malawi Partnership and its sister organisation the Malawi Partnership, but also Scotland's International Development Alliance, and the Scottish Fair Trade Forum.

More recently, we have also provided some additional funding to Scotland's International Development Alliance for a new staff post to support the development and coordination of civil society driven humanitarian action, for organisations in Scotland who are responding to humanitarian crises overseas. This is another key way in which we can support small NGOs in Scotland working in the humanitarian aid space.

We are, however, keen to understand what might best support civil society in Scotland in future, following the closure of our former Small Grants Programme.

On 28 March 2022, Scotland's International Development Alliance published a consultation paper with its members on the future of the Scottish Government's international development programme. We have asked the Alliance, as part of the consultation to ascertain their views and feed these back to us. Their specific consultation question (Q9) which asks "*How else can SG better support civil society*?" will provide helpful feedback from this consultation exercise, and we will work with the Alliance on how best to elicit any further detailed views on this question as their consultation closes. For example, we have discussed with the Alliance a series of focus groups on this issue, hosted by them.

We will be happy to update the Committee in due course, after we have considered the results of the Alliance consultation in the context of wider programming of the International Development budget.

We will also follow up with the Committee on this area to set out what support the Scottish Government can provide for the growth of grass-roots initiatives, acknowledging the Committee's view that small initiatives with the potential to grow should be enabled.

#### Transparency

Finally I welcome the continuing interest and scrutiny of the Parliament and its Committees of our work on International Development, our international network of offices, and our use of the powers under the Continuity Act - European Union (Continuity) (Scotland) Act 2021. The Scottish Government is committed to openness and transparency, and recognises the role of the Scottish Parliament and its Committees in these and other areas.