## CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

## 14th Meeting 2021, Session 6

#### 16 December 2021

#### The Scottish Government's International Work

- As part of its inquiry into the Scottish Government's international work, the Committee is looking at how the Scottish Government engages internationally and what it wants to achieve from this work. This includes both its EU and wider international engagement, its support for international development and how its external affairs policies interact with UK government policies in these areas.
- 2. This is the third evidence session covering this topic. During this meeting the focus will be on the Scottish Government's International Hubs and the Committee will take evidence from—
  - Martin Johnson, EU Director, Brussels Office, Scottish Government
  - Dr Alexandra Stein, Head of Berlin Office, Scottish Government
  - John Webster, Head of London Office, Scottish Government
- 3. Members can find the written submission from the Scottish Government in **Annexe A**.
- 4. SPICe has also provided a briefing on the Scottish Government's international offices in **Annexe B**.

Committee Clerks
December 2021

### Written submission from the Scottish Government

### **Background**

The Scottish Government currently has offices in London, Brussels, Berlin, Paris, Dublin, Washington DC, Ottawa, and Beijing, while Scottish Development International (SDI) also has a network of more than 30 overseas offices globally. The external network of offices supports activity by the Scottish Government, its agencies and public and private sector partners, in key locations outside Scotland. The network supports international collaboration which delivers economic benefits and helps address societal and global challenges.

These aims are grounded in Scotland's National Performance Framework, in particular these national outcomes:

- We have a globally competitive entrepreneurial, inclusive and sustainable economy; and,
- We are open, connected and make a positive contribution internationally.

The work of all of the offices includes improving Scotland's international profile, attracting investment, helping businesses to trade internationally, promoting and securing research and innovation capability, partnerships and funding, facilitating cultural exchanges and events, and protecting and enhancing Scotland's interests in the EU and beyond.

The Programme for Government, published in September 2021 following the Cooperation Agreement with the Scottish Green Party, is clear in its commitment to internationalism and to Scotland continuing to work with friends and partners in Europe and beyond to reaffirm diplomatic ties, improve our global networks, enhance international collaboration, and unlock new economic and trading opportunities. The PfG includes commitments to strengthening the base in Brussels, opening a Scotlish Government Office in Copenhagen next year, and increasing Scotland's economic and cultural visibility in the Nordic regions. The PfG also commits to the opening of an office in Warsaw over the lifetime of this Parliament, as part of the Scottish Government's continued commitment to enhancing our external reach and voice.

### Scottish Government's Offices: Brussels, London and Berlin - Background

The **Scottish Government EU Office** was established in 1999, and works in partnership with Scotland Europa. It is located in Scotland House, Brussels, in the European quarter of the city. The EU Office has 19 staff currently, two of whom are intern staff who work jointly to Scotland Europa. Scotland Europa has a further 8 staff. Scottish Government staff are a mix of Scotland/UK-based staff with diplomatic status, and locally engaged (LE) staff. The EU Director Martin Johnson also has joint oversight – along with the Director for External Affairs – of the Scottish Government's EU Secretariat (EUS). EUS is based in Edinburgh and has 11 staff.

**Scotland House London (SHL)** opened in April 2017 and is a collaboration between the Scottish Government, Scottish Enterprise/Scottish Development

International (SDI), Visit Scotland (VS) and Highlands and Islands Enterprise (HIE) – the four Partners.

The **Scottish Government's Germany office** works in partnership with the SDI Düsseldorf office as the Scotland in Germany Network. Established in Berlin with three members of staff in 2018, it promotes engagement with Germany across devolved matters, to strengthen Scotland's economic, research, and cultural relationships, and to open doors in priority sectors by strengthening networks and fostering cooperation.

#### Wider EU Network

The Scottish Government also has offices in Paris and Dublin, and new offices are planned in Copenhagen and Warsaw.

Our office in **Paris** was established in November 2018. It has three members of staff - a Head of Office, a Deputy Head of Office and an Office and Events Manager. It is co-located with the Scottish Development International team in Paris and is based at the British Embassy. Our **Dublin** office was established in early 2016 and is based at the British Embassy. The Dublin team comprises five members of staff - a Head of Office, a Deputy, two Scottish Development International Trade and Investment Officers and an Events and Cultural Diplomacy lead.

We plan to open a Scottish Government office in **Copenhagen** in the first half of 2022 to increase Scotland's economic and cultural connections and cooperation in the Nordic region. In this parliamentary session, we have also committed to open an office in **Warsaw**, as part of our continued commitment to enhancing our external reach and voice.

### **Scottish Government Network beyond Europe**

The Scottish Government also has offices in Beijing, Ottawa, and Washington D.C. Our Washington D.C. office was established in 2001 and is based at the British Embassy. It is comprised of four members of staff – a Head of Office, a Deputy and two LE staff. Our office in Canada was established in 2018 and is based at the British High Commission in Ottawa. It has four members of staff – a Head of Office a Deputy and two LE staff. Both the Ottawa and Washington offices work alongside the Scottish Development International's Trade and Investment teams located across multiple geographies in North America. Our office in Beijing was established in 2005 and is based at the British Embassy, it is comprised of four member of staff – a Head of Office and three LE staff and works in partnership with Scottish Development International colleagues located in Beijing, Shanghai, Guangzhou and Hong Kong.

### Priorities and Areas of Focus: Brussels, London, Berlin

The EU Office in **Brussels** promotes Scottish interests and expertise by:

- focussing on key policy areas and themes such as: net zero and biodiversity, inclusive growth and the wellbeing economy, research and innovation, Scotland's distinct legal system, and trade and investment opportunities for Scotland;
- providing advice and support to ministers and officials, including directly engaging with EU institutions, European parliamentarians, member states, regional representations based in Brussels, EU based networks and other stakeholders;
- providing support to Ministers and officials visiting Brussels on EU business, including preparation of official programmes;
- building Scotland's influence and reputation through policy events, participating in networks, making new contacts and connections, sharing Scottish good practice and leadership, and learning best practice from others;
- working with colleagues in the UK Mission to the EU, the Welsh Government and Northern Ireland Executive offices based in Brussels;
- working closely with colleagues across the Directorate for External Affairs (DEXA) and all relevant areas of the Scottish Government, ensuring information flow between teams, and supporting policy officials on knowledge of the EU policy agenda, including upcoming EU proposals and funding opportunities, initiatives and developments;
- taking forward a programme of cultural events (for example around St. Andrew's Day, Burns Night) to engage contacts in existing networks, showcase Scottish cultural excellence, promote themed years and build relationships; and,
- working closely with Scotland Europa to deliver our shared Business Plan objectives, including supporting delivery of Programme for Government commitments.

The EU Office in Brussels has policy expertise across a range of areas, including net zero and biodiversity; marine; research and innovation; trade policy; the digital economy and AI; inclusive growth; justice and home affairs; and engagement with EU institutions. The Office works in an integrated way with Scotland Europa, a membership based organisation which is part of Scottish Enterprise, and collaborates across a range of work areas, through thematic teams, and joint working on events, engagement via networks, and supporting engagement by Scottish stakeholders with EU counterparts. Scotland House Brussels provides a platform and physical space to bring stakeholders together across a range of business, cultural and networking topics, enabling dialogue and connections between Scottish and EU interests. The programme of cultural, networking and

policy events which Scotland House runs through the year is a good example of use of this platform, and the office has innovated over the last 18 months to ensure we continue to facilitate high quality, impactful engagements, despite the restrictions linked to the pandemic.

The Committee Clerks suggested it may be helpful to the Committee for this note to say explain how the EU Office supports Scottish Government objectives on the following specific issues:

- SG's policy commitment to align with EU law: The EU Office in Brussels provides strategic insight and advice on EU policy priorities, and the direction of EU policy, working closely both with colleagues in the EU Secretariat in Edinburgh, and across the range of policy Directorates in SG. It reports regularly on developments, both set-piece moments in the EU cycle, and ongoing developments (e.g. through different EU Council formations or developments in the European Parliament). The EU Office also gathers information and facilitates discussions with EU institutions, where this can help colleagues, for example in understanding the detail behind a policy, or even providing evidence from Scotland where this can be of benefit.
- SG's input into the Trade and Co-operation Agreement (TCA) and future relationship with the EU more generally: The framework created by the Withdrawal Agreement (WA) and Trade and Cooperation Agreement (TCA) touches upon a wide range of SG interests and devolved responsibilities from manufacturing and law enforcement to
- agriculture, environmental standards and fisheries. The Scottish Government actively engages with the UK Government on these issues, and the EU Office has a key role in helping shape and drive that input. The TCA is governed by a Partnership Council with 18 technical Specialised Committees and a Trade Partnership Committee sitting under it. The EU Office works with the EU Secretariat in Edinburgh to co-ordinate Scottish input to the preparation of TCA meetings. In advance of these meetings we engage with the lead UK department to seek to ensure Scottish interests will be properly represented. Depending on the topic, team members from the EU Office may attend TCA Committee meetings, as SG representatives within the UK delegation.
- Working with UKG on EU issues, in the post-Brexit context: the main formal structures for working with UKG on EU issues are those created by the governance structures of the Trade and Cooperation Agreement (TCA). As outlined above, SG officials, including those from the EU Office, will be key members of the SG team engaging with UKG counterparts to promote Scottish interests, and in some cases attend Specialised Committee meetings. More generally, the EU Office team has regular dialogue with counterparts in the UK Mission in Brussels, across a range of EU facing topics. This dialogue is both structured (i.e. via regular meetings), and more ad hoc and informal. Examples of this dialogue from the recent period include:
  - EU-UK relations including negotiations on the Ireland/Northern Ireland Protocol and TCA specialised committees;

- COVID related issues for example the question of the inter-operability of COVID vaccination QR codes from Scotland/UK with the EU Digital COVID certificate;
- Climate policy and the EU's Green Deal package there are benefits in regular information sharing on these areas, including preparations for COP26 in Glasgow and now the latter part of the UK Presidency of COP, and other specific areas including promotion of events, and potential sharing of platforms;
- Horizon Europe association liaising with UKG counterparts to discuss the situation as regards legal association, and what further steps if any might be taken to seek to expedite it; and,
- Priorities of the EU Institutions including foreign policy issues discussions on issues of interest to Scottish Ministers and Parliament, and perspectives on the positions of the EU and its Member States. Recent examples would include the situations at the Belarus/EU border and Ukraine.

### Scotland House London delivers on its aims by:

- pursuing economic and business benefits for companies;
- raising the profile of Scottish investment opportunities;
- supporting the development of international collaborations and research partnerships;
- providing opportunities to secure funding for innovation and research;
- strengthening our inter-governmental relations;
- developing Scotland's international profile through engagement with the London based diplomatic community; and,
- supporting Scottish Ministers and senior officials on official engagements in London

The SHL teams cover Operations; Economic Policy and Networks and UK, EU and International Relations. SHL is a business, events and networking hub, integrated into London's commercial, innovation, cultural and governmental environment. It provides a strong platform and entry point for Scottish businesses seeking to use London to pursue their growth ambitions, and a window to Scotland for London based investors, innovators and policy-makers, including through a programme of events to showcase Scotland's business, research and innovation and cultural strengths. We have a growing membership of over 200 Scottish business members who seek to secure new business, access new investment and undertake increased collaboration in London.

SHL provides a platform to allow us to improve the range and depth of engagement with the UK Government, the diplomatic community and other stakeholders based in the city. SDI pursues global trade and inward investment interests through SHL given its concentration of global and European HQs. HIE uses Scotland House including to support engagement with UK Government and UK Space Agency in London, in pursuit of ambitions around vertical-launch and the proposed spaceport in Sutherland.

VisitScotland uses the platform to provide a springboard for Scottish tourism businesses to connect with international operators.

The Scottish Government's **Berlin Office** seeks to:

- deliver a relevant programme of ministerial engagements in Germany, in particular in the areas of trade and investment, higher education, research and innovation;
- provide analysis on political and economic developments in Germany, and identify strategic opportunities for engagement and cooperation;
- engage with economic and political stakeholders to raise awareness of Scotland's export growth plan and promote Scotland as an attractive location for inward investment;
- promote Scotland's economic, cultural and academic strengths through strategic communications and a rolling programme of cultural events;
- engage with the Scottish diaspora and other networks in Germany, and create opportunities for German partners to engage with Scotland; and
- promote Scotland's credentials in the areas of higher education, research and innovation, and engage with relevant German partners in support of continued academic exchange with Germany.

Together with SDI, the **Germany office** promotes economic engagement, trade and investment between Scotland and Germany. It works with a number of economic organisations, supports cross-sectoral ministerial visits and trade missions in both directions, and provides advice and support to Scottish companies seeking to expand into the German market and to German businesses seeking to invest in Scotland.

It supports exchange and collaborative working in areas such as climate change, the low carbon economy, renewable energy and green technologies – with a particular focus, in response to Germany's hydrogen import requirements, on identifying opportunities and intensifying collaboration across offshore wind and green hydrogen in support of net zero and economic development goals.

It promotes Scottish innovation, higher education and research interests, supporting Scottish HEIs and other stakeholders in maintaining and strengthening their ties with German HEIs, research institutes and innovation partners. It achieves this partly by deepening partnership working with focus Länder in support of key priorities and sectors. It promotes and supports key Scottish connections and friends of Scotland networks, including Global Scots, alumni networks and affinity diaspora, and showcases Scotland's distinct cultural heritage through events, including Scotland's food and drink, music, indigenous languages and literature.

The office takes an integrated approach to its activities, building on the connections between priority areas and its use of soft power to support its business outcomes. To support this, it communicates with German audiences in order to maintain and enhance an awareness of Scotland, support SG and SDI messaging and delivery, and promote Scotlish strengths and priorities. It additionally ensures that Scotlish Ministers, colleagues and stakeholders understand relevant aspects of German politics, business and events that might impact on Scotland.

## SPICe The Information Centre An t-Ionad Fiosrachaidh

# Constitution, Europe, External Affairs and Culture Committee

14<sup>th</sup> 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 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 Conference on the Future of Europe. 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 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.

## **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.

### lain McIver, Senior Researcher, SPICe Research

#### 10 December 2021

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