



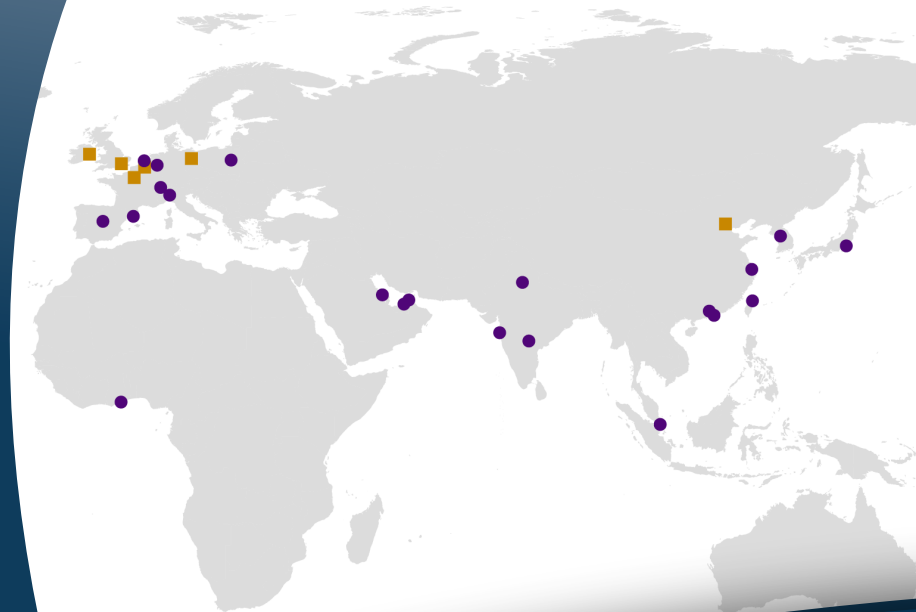
## SPICe Briefing

## Pàipear-ullachaidh SPICe

# External affairs: subject profile

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This subject profile sets out details of the Scottish Government's international policies. These include its Europe and international relations policies along with its geographic footprint. It also sets out details of the Scottish Government's approach to international trade policy and other international agreements. Finally it sets out details of the Scottish Government's international development policy.



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# Summary

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.

All 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 sits above five engagement strategies focussed on the United States, China, Canada, India and Pakistan.

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. Future engagement with the EU focuses on engagement with the European Union's Strategic Agenda for 2020-2024. In addition, in March 2021, the Scottish Government published *Steadfastly European*, Scotland's past, present and future. This policy document sets out the Scottish Government's view of Scotland's relationship with Europe following Brexit.

The Scottish Government will also seek to engage with the governance of the EU-UK Trade and Cooperation Agreement and the negotiation of future international trade agreements, particularly where these impact on devolved competences.

The Scottish Government's international engagement is supported by a network of international offices. Following the Brexit vote, the Scottish Government has developed its international footprint, opening new offices in London, Berlin and Paris. These offices complemented the existing offices in Brussels, Dublin, Beijing, Ottawa and Washington DC. In addition to the Scottish Government's international presence, Scottish Development International has a large international footprint with over 30 offices across the globe.

The Scottish Government's current international development strategy was published in 2016. The International Development policy has three funding streams:

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

The Development assistance (aid) projects is the largest funding stream supporting four programmes in Malawi, Rwanda, Zambia and Pakistan along with the small grants programme which is to be discontinued.

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 £3million 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. The Scottish National Party 2021 Scottish Parliament election manifesto committed to the Scottish Government 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.

In addition to the International Development Fund, the Scottish Government also run a number of other funds that form part of its international development work including the Climate Justice Fund and the Humanitarian Emergency Fund.

The Scottish Government has recently concluded a review of its approach to international development. The review will lead to a number of changes to the operation of the International Development Fund.

Scrutiny of the Scottish Government's international policies present an opportunity for the Scottish Parliament in Session 6. Scrutiny could include focussing on the Scottish Government's external affairs policies and its engagement with the EU following Brexit including the operation of the EU-UK Trade and Cooperation Agreement. Other areas of interest may include scrutinising the UK Government's negotiation of new international trade agreements and the Scottish Government's approach to international development policy.

# International relations in the Scotland Act

[Schedule 5 Section 7 \(1\) of the Scotland Act 1998 reserves Foreign Affairs](#). Foreign affairs are defined as:

“ International relations, including relations with territories outside the United Kingdom, the European Union (and their institutions) and other international organisations, regulation of international trade, and international development assistance and co-operation are reserved matters.”

Legislation.gov.uk, 1998<sup>1</sup>

However, provision is made for Scottish Ministers to "assist Ministers of the Crown in relation to any matter" to which section 7(1) applies.

The Scottish Government has set out a number different international policies including a European policy, an international relations policy, an international trade policy and an international development policy. The Scottish Government has sought to base the objective of its European and its international relations policies on pursuing benefits for Scotland in areas of devolved competence, such as to boost international trade.

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.

# Scotland's International Framework

All the Scottish Government's international policy is underpinned by its International Framework.

The [International Framework](#) is targeted toward two overarching objectives <sup>2</sup> :

- "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 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 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 [SNP manifesto for the 2021 Scottish Parliament election](#) committed to a refreshed international strategy writing that a future government will:

“ Create a new global affairs framework, underpinned by Scotland's fundamental values and priorities and adopt a feminist foreign policy.”

Scottish National Party, 2021<sup>3</sup>

The International Framework sits above five engagement strategies:

- [US engagement strategy](#)
- [China engagement strategy](#)
- [Canada engagement strategy](#)
- [India engagement strategy](#)

- [Pakistan engagement strategy](#)

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](#)"<sup>4</sup>.

In the cases of both India and Pakistan one of the key reasons identified by the Scottish Government for the development of strategies is the presence of large Indian and Pakistani communities in Scotland.

These engagement strategies each include actions under 3 of the 4 strategic objectives identified in the International Framework; relationships and partnerships; reputation and attractiveness and global outlook.

In March 2021, the Scottish Government published [Steadfastly European, Scotland's past, present and future](#). This policy document sets out the Scottish Government's view of Scotland's relationship with Europe following Brexit.

## Measuring success of the international framework

Evaluating the Scottish Government's international engagement during Session 6 is likely to be challenging, as much of the work of pursuing foreign policy objectives can be difficult to quantify in direct and immediate benefits.

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"<sup>2</sup>. The outcomes and ambitions are shown in the box 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.

These outcomes and ambitions are also applicable to the five country strategies.



# A Scottish Council for Global Affairs?

In their election manifestos, the Scottish National Party, the Scottish Labour Party and the Scottish Liberal Democrats all committed to establishing a Scottish Council for Global Affairs (SCGA). The objective of such a body would be to develop Scottish policies and a Scottish approach to international issues. Following the re-election of the Scottish Government there is yet to be an announcement about its plans for a SCGA. More details may be provided in the next Programme for Government which is likely to be published in September 2021.

A [blog for the Centre on Constitutional Change](#) set out why, in their view, an SCGA would be beneficial:

“ In the face of today’s global challenges, political parties across Scotland are coming together in recognising the need for a concerted focus on international affairs. An SCGA would establish an institutional framework that can marshal the formidable international expertise that exists within Scotland, helping to inform public debate, impact policymaking, and deliver world-class policy-relevant research.”

Kaarbo, 2021<sup>5</sup>

# Scotland and the EU after Brexit

A significant focus for the Scottish Government will be developing Scotland's post-Brexit relationship with the European Union. The Scottish Government [has said that the European Union remains a key partner](#):

“ The UK's departure from this union undoubtedly changes the way that Scotland engages with the EU, but it will not change the EU's importance to Scotland, nor our commitment to it. We will continue to collaborate across a wide range of issues on the EU's agenda, reflecting our shared values and goals.”

Scottish Government, 2021<sup>6</sup>

## Future engagement with the EU

In a [speech to the European Policy Centre](#) in June 2019, the First Minister set out her vision for Scotland's relationship with the EU after Brexit:

“ The commitments that heads of government made last month - defending one Europe, staying united, looking for joint solutions, promoting fairness, protecting democracy and the rule of law – these are ones that the Scottish Government endorse and we want to continue to contribute to. In fact, for all its imperfections – and let's face it all governments and all organisations are imperfect – there is an idealism to the EU project which appeals very strongly to us in Scotland.”

Scottish Government, 2019<sup>7</sup>

The First Minister also emphasised the Scottish Government's desire to work with the EU on international issues such as the climate crisis and tackling the demographic challenge of an ageing population.

The Scottish Government's [Brussels Office's identified priorities](#) show a continued attempt to try to influence EU policy development, and aim to create opportunities for Scottish cooperation with partners across Europe in areas such as knowledge exchange and EU funding opportunities.

In January 2020, the Scottish Government published [The European Union's Strategic Agenda 2020-2024: Scotland's Perspective](#). 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. They also provide a likely basis for the Scottish Government's use of the [keeping pace power](#) which allows Scottish Ministers to seek continued alignment with EU law where Ministers feel that would be appropriate.

The Scottish Government suggests there are opportunities for Scotland in engaging with the EU's work in the following priority areas <sup>8</sup> :

- 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:

- 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 [Steadfastly European, Scotland's past, present and future](#). 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.”

Scottish Government, 2021<sup>9</sup>

Steadfastly European, Scotland's past, present and future set out how Scotland would seek to work with Europe as the world tackles COVID-19:

“ The challenges Scotland faces do not respect borders. As a responsible European partner, the Scottish Government will continue to share best practice, knowledge and expertise in reducing transmission and address the other harms caused by the virus. It will work proactively with likeminded European partners to face the global public health and economic crisis together. It is becoming clearer by the day that as Europe emerges together from this crisis it will be vital to hold firm to European shared values. The Scottish Government, like the *EU*, is a strong advocate of the rules-based multilateral order and standing up to the many challenges our democracies face. The founding values of the *EU* – human dignity, freedom, democracy, equality, the rule of law and respect for human rights – are the Scottish Government's values. They more than anything else are guarantors of a better future... ..In the meantime, the Scottish Government will continue to take a positive and proactive role in engaging with the *EU* institutions and Member States on shared challenges and opportunities – particularly where Scotland is well placed to offer expertise, share best practice, collaborate with European partners and help to shape policies and programmes that tackle issues affecting citizens and businesses across Europe.”

Scottish Government, 2021<sup>9</sup>

## Keeping pace with EU law

Following the UK's departure from the EU there is no longer a requirement 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 UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021 (section 1(1)) confers a power on Scottish Ministers to allow them to make regulations with the effect of keeping Scots law aligned with EU law in devolved areas. This is referred to as

the “keeping pace” power.

The [Scottish Government's Policy Statement](#) set out Ministers' intentions with regard to continued alignment with EU law:

“ The Scottish Government considers that there should be a power for devolved matters in Scotland to keep pace with EU law, where appropriate. This would ensure consistency and predictability for the people who live and work in Scotland, and those who do business here and with Scotland in Europe, by updating or aligning devolved law with new EU law where that is appropriate and practicable. The Scottish Government also believes that environmental principles in domestic law, informed by the four EU environmental principles, should guide the development of policy and legislation in Scotland, and that Scotland should have effective domestic environmental governance to underpin environmental standards.”

Scottish Parliament, 2020<sup>10</sup>

## The EU-UK Trade and Cooperation Agreement

The EU-UK Trade and Cooperation Agreement (TCA) <sup>11</sup> governance arrangements provide wide-ranging powers for the European Commission and the UK Government in the management of the TCA. In some areas, these powers enable the UK Government and European Commission to agree between them to change the original terms of the TCA. The TCA also provides a limited role for the UK Parliament in partnership with the European Parliament.

Despite the TCA impacting on devolved matters, no role is set out for the devolved administrations or legislatures. A ‘Partnership Council’, co-chaired by the European Commission and the UK Government, oversees the implementation of the TCA. The Partnership Council will be supported by nineteen specialised committees and four working groups. The specialised committees will consider issues which are within devolved competence such as fisheries, food safety and law enforcement .

The governance structures of the TCA will be crucial to managing the relationship between the UK and the EU. The [Session 5 Culture, Tourism, Europe and External Affairs Committee recommended that](#) "the Scottish Government, at Ministerial and official level as appropriate, should be present at meetings taking place under the governance framework that deal with devolved policy areas" <sup>12</sup> .

On 27 May 2021, the [Minister of State in the Cabinet Office, Lord Frost wrote to the Scottish, Welsh and Northern Irish Governments](#) to set out how the UK Government intends to work with the Devolved Administrations to ensure effective implementation of the TCA. <sup>13</sup> In his letter, Lord Frost set out that where items of devolved competence are on the agenda for the Partnership Council or the Specialised Committee, the UK Government expects to "facilitate attendance by Devolved Administrations at the appropriate level, i.e. at roughly similar seniority to UK Government attendees".

Lord Frost added that for TCA governance meetings where items likely to be discussed include matters of devolved competence, the UK Government officials preparing the UK Government position should include representatives of the Devolved Administrations in those preparations. In addition, Lord Frost confirmed that ahead of meetings of the

Partnership Council (as with meetings of the Joint Committee - which oversees the operation of the Withdrawal Agreement) a meeting would be held between himself and Devolved Administration Ministers.

The first meeting of the Partnership Council was held on 9 June 2021. According to the [agenda for the meeting](#), the devolved administrations were represented at the meeting.

The TCA governance structure also establishes a 'Parliamentary Partnership Assembly' (PPA). The PPA is proposed to consist of Members from the European Parliament and UK Parliament. The Session 5 European Committee recommended that given the governance framework deals with devolved competences, that representation from the Scottish Parliament be included on the PPA. Details of the composition of the new PPA are still to emerge.

# International trade agreements

In addition to managing the future relationship with the EU, the UK Government is now also responsible for negotiating international trade agreements (prior to Brexit, this was an EU competence and responsibility lay with the European Commission).

Schedule 5 of the Scotland Act 1998 states that the regulation of international trade is reserved, however, as with the [new EU-UK TCA](#), future bilateral trade agreements negotiated by the UK Government are also likely to include commitments in areas of devolved competence. In August 2018, the Scottish Government set out its view on [the role of Scotland in the development of future UK trade arrangements](#). The policy paper stated:

“ Outside the Customs Union, the UK will become responsible for negotiating its own international trade agreements. The broad and increasing scope of modern trade agreements means that they often deal with, and merge, a range of reserved and devolved policy areas. The conduct and content of future trade policy, negotiations and agreements will therefore have very important implications for Scotland, and it is vital that the Scottish Government is fully involved in the process for determining them. This paper considers that decision making process and argues that the Scottish Government and Scottish Parliament must play a much enhanced role in the development of future trade policy and the preparation, negotiation, agreement, ratification and implementation of future trade deals, to help industries, protect devolved public services and ensure the highest standards of environmental and consumer protection in Scotland and across the UK. Doing so will require a significant change in the current arrangements for scrutiny and democratic engagement, which are already out of date, under strain and in urgent need of reform.”

Scottish Government, 2018<sup>14</sup>

In terms of parliamentary scrutiny of future trade negotiations and agreements, the Scottish Government's paper suggested that the current arrangements for scrutiny of trade agreements at Westminster (based on the provisions of the Constitutional Reform and Governance Act 2010) are limited. This is because the UK Parliament does not have to debate or vote on ratification and has no power to amend a treaty or be involved in treaty negotiation. Proposals to provide for greater Parliamentary scrutiny of trade negotiations and agreements were defeated during the passage of the [Trade Act 2021](#).

In relation to the role of devolved legislatures in the negotiation and ratification of trade agreements, the Scottish Government wrote:

“ There is not currently, and nor is there proposed to be, any legal requirement to consult the devolved administrations and legislatures, stakeholders or the public. The MoU and Concordats provide the only articulation at present of Scotland's rights and responsibilities in protecting and promoting its interests in the field of international relations and international trade.”

Scottish Government, 2018<sup>14</sup>

The Scottish Government concluded that both it and the Scottish Parliament must have a role in "all stages of the formulation, negotiation, agreement and implementation of future trade deals and future trade policy".

Given the relevance to devolved policy areas of international trade agreements, the Session 5 Finance and Constitution Committee [expert panel report](#) noted that

“ it is essential that the devolved institutions are involved at all stages of the trade negotiation process” and highlighted that the committee had recommended that “the Ministerial Forum for Trade provides for meaningful engagement between the UK Government and the devolved administrations and allows for the four nations of the UK to develop a consensual position before the beginning of trade negotiations.”

Scottish Parliament Finance and Constitution Committee, 2021<sup>15</sup>

The Session 5 Culture, Tourism, Europe and External Affairs Committee's Legacy Paper also recommended that scrutiny of new international trade agreements should be an on-going area of scrutiny for the Scottish Parliament <sup>12</sup> .

# New international priorities

The Scottish Government has sought to develop closer links with the Arctic (set out in [Arctic Connections: Scotland's Arctic policy framework](#) published in September 2019). According to the policy framework:

“ Scotland's northernmost islands are closer to the Arctic Circle than they are to London. Connections between Scotland and the Arctic, however, go much further than geographical proximity. Our communities share deep cultural and social links as well as similar challenges and outlooks. Arctic countries represent important trading partners for Scotland and we have long worked together through European Union (EU) programmes. As a good global citizen and a trusted neighbour, Scotland is ready to build bridges that can reinforce our role as a European gateway to the Arctic while encouraging a peaceful and well-governed future for the region.”

Scottish Government, 2019<sup>16</sup>

The Arctic Policy Framework proposes cooperation in policy areas such as education, research and innovation; cultural ties; rural connections; climate change, environment and clean energy and sustainable economic development.

The Scottish Government has also prioritised engagement with the Nordic and Baltic countries (as set out in its [Nordic Baltic Policy Statement](#) published in March 2014 and updated in September 2017). The Nordic and Baltic countries are Norway, Sweden, Finland, Denmark, Iceland, Estonia, Latvia and Lithuania.

[According to the Scottish Government](#), the reason for developing closer links with the Nordic and Baltic countries is that:

“ The Nordic Baltic countries share many similarities with Scotland. Geographically, we are on the periphery of mainland Europe, with similar demographics and broadly similar topographies in many regions. This means that our communities and businesses face similar challenges, and that we can benefit from learning how these other countries are working to provide solutions. Similarly, the Nordic Baltic countries are established world leaders in areas such as marine affairs, energy and innovation, and social welfare. Scotland is making progress in many of the same areas, and we see engagement with these countries as an opportunity to promote our work in these areas further.”

Scottish Government, 2021<sup>17</sup>

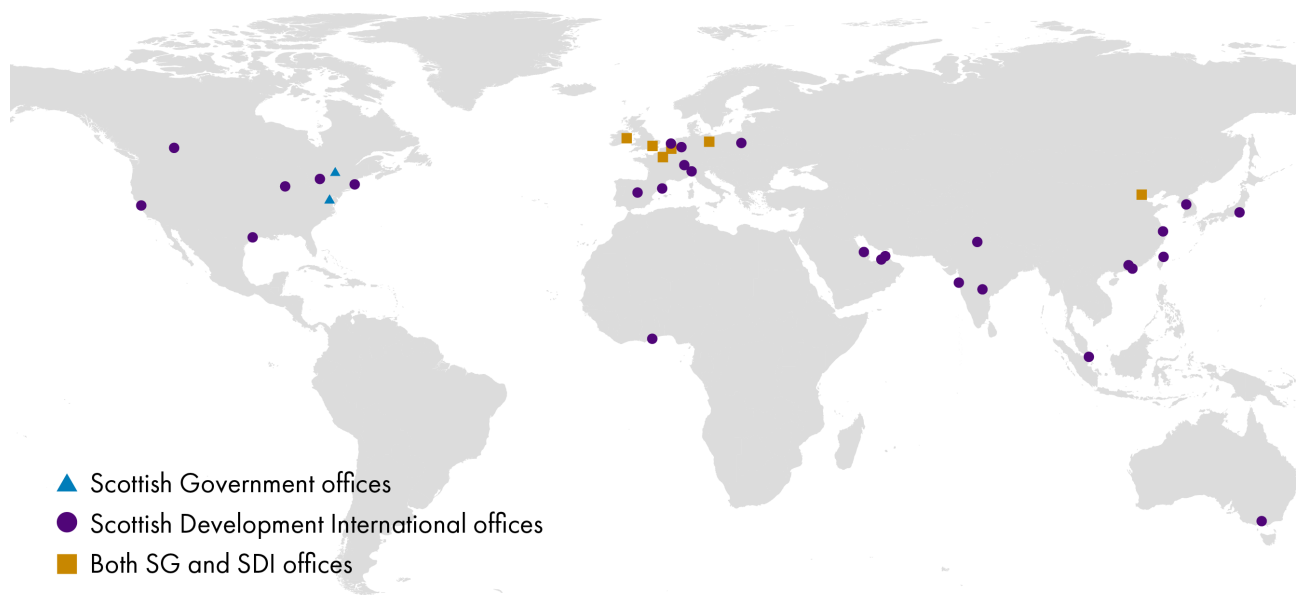


# Scotland's international footprint

Following the Brexit vote, the Scottish Government has sought to further develop its international footprint, opening new offices in [London](#), [Berlin](#) and [Paris](#). These offices complemented the Scottish Government's existing offices in [Brussels](#), [Dublin](#), [Beijing](#), [Ottawa](#) and [Washington DC](#).

In addition to the Scottish Government's international presence, [Scottish Development International](#) has a large international footprint with over 30 offices across the globe.

## Scotland's global footprint



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The [Scottish National Party election manifesto](#) set out that the new Scottish Government will expand Scotland's international network by establishing new innovation and investment hubs for the [Nordic and Baltic regions](#).

Scotland's growing number of international offices will be expected to boost trading and political opportunities along with taking advantage of Scotland's soft power. The importance of soft power is discussed in the .

# Scotland's diaspora

Another key element of Scotland's international footprint is its diaspora. A [Scottish Government paper on the diaspora in 2009](#) put the number of people across the world claiming some sort of Scots ancestry at between 28 million and 40 million people<sup>18</sup>. In the [United States of America, the 2020 census](#) indicated that just under five million Americans identify themselves as of Scottish descent, with four million more as Scots-Irish.

Diasporas can provide links to boost economic growth as demonstrated by the [Scottish Government's Global Scots network](#).

# International Development policy

The Scottish Government's [current international development strategy \(IDS\)](#) was published in 2016 <sup>19</sup>. The document sets out the key elements of the strategy which are outlined in the box below:

- 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 [Beyond Aid agenda](#).

The International Development Policy is supported by the Scottish Government's [International Development Fund \(IDF\)](#) <sup>20</sup>. When it was introduced in 2005, the IDF was worth £3million 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. The Scottish National Party 2021 Scottish Parliament election manifesto committed to the Scottish Government 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 <sup>3</sup>.

In 2019, [the UK's total overseas development assistance was £15,197 million](#) <sup>21</sup>. The Scottish Government-funded International Development Fund, [Humanitarian 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

## Development assistance (aid) projects

**Development assistance (aid) projects** – this is the largest funding stream supporting [five programmes](#) :

- [Malawi Development Programme](#) – on 23 April 2018, Scotland and Malawi agreed a new [Global Goals Partnership Agreement](#). This committed both governments to seeking to realise the vision of the [Global Goals](#), and to do so through our 150-year-old tradition of partnership working. The current programme funds 11 projects worth £11.4 million between 2018 and 2023.
- [Rwanda Development Programme](#) - the current programme funds 7 projects worth £8.8 million between 2017 and 2022.
- [Zambia Development Programme](#) - the current programme funds 6 projects worth £6.3 million between 2017 and 2022.
- [Pakistan Development Programme](#) – the British Council administer the Scotland Pakistan Scholarships for Young Women and Girls funded by the IDF.
- [Small Grants Programme](#) – this programme will be discontinued following the end of current funding allocations. The Scottish Government has indicated that the fund will be absorbed back into the IDF with this funding focussed on promoting equality of women and girls going forward.

According to the Scottish Government, funding is allocated to:

“ projects being run by a range of Scotland-based organisations, including registered charities, universities, local authorities, NHS Boards, private sector companies (acting on a not-for-profit basis) and social enterprises, with an emphasis on respectful partnership with organisations in our partner countries.”

Scottish Government, 2021<sup>22</sup>

The fund is also used to fund Scottish networking organisation such as [Scotland's International Development Alliance](#).

## Capacity strengthening initiatives

**Capacity strengthening initiatives** – this second stream of the IDF supports peer-to-peer knowledge-sharing in areas of mutual interest to build capacity. For example, professional volunteering and capacity strengthening through institutional links in health and justice. This stream also supports education through scholarships for women and children run by British Council Pakistan.

## Commercial investment initiatives

**Commercial investment initiatives** – this third stream of the IDF focusses on engaging the Scottish financial community to encourage foreign direct investment in Malawi, Zambia and Rwanda and to promote good governance in investment, banking and finance.

## Other projects and funds

**Collaborations** – the IDF also seeks to [collaborate with other donors](#) to match-fund projects for example with Comic Relief using sport to challenge issues such as violence against women in Malawi, Rwanda and Zambia.

In addition to the International Development Fund, the Scottish Government also run a number of other funds that form part of its international development work. These are:

- The [Climate Justice Fund \(CJF\)](#) intended to help tackle the effects of climate change in the poorest, most vulnerable countries. The CJF is worth £3 million per year. The CJF is currently being reviewed with the outcome of the review likely to be published before the end of 2021.
- The [Humanitarian Emergency Fund \(HEF\)](#) designed to respond to disasters, disease and conflict. The HEF is worth £1 million per year.
- Support for [fair trade, global citizenship education and the "Beyond Aid" agenda](#) .
- [Core funding](#) for Scotland's International Development Alliance, the Scotland-Malawi Partnership, Malawi Scotland Partnership and Scottish Fair Trade Forum.

# Review of the International Development Policy

The Scottish Government announced a review of its “approach” to international development in the [Programme for Government \(PfG\)](#) published on 1 September 2020. The PfG stated:

“ It is clear COVID-19 will remain a threat for some time to come. We will therefore also begin to review and open a discussion on our approach to international development, ensuring that we are focusing our contribution on areas where we can make the biggest difference against the backdrop of the new reality of COVID-19, and ensuring that as much of our funding as possible reaches our partner countries which need it most.”

Scottish Government, 2020<sup>23</sup>

On 3 March 2021, the Scottish Government provided an update on the results of the review through a [Government Initiated Parliamentary Question \(GIPQ\)](#). The outcome of the review was reflected in a [summary report](#) 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 in the emphasis box below <sup>24</sup> :

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 principles](#) <sup>24</sup> :

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.

## International and European Relations budget in detail

There are 13 budget lines in the International and European Relations budget. These are considered below using [information provided by the Scottish Government to SPICe's Financial Scrutiny Unit](#).

### 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.

## The National Performance Framework

The [Scottish Government's National Performance Framework](#) includes measurements for Scotland's export statistics and Scotland's international reputation which are informed by Scottish Government international policy.

The [international exports indicator measures](#) the annual value of international exports as published in Export Statistics Scotland. According to the [National Performance Framework](#):



“ In 2018, the value of Scotland’s international exports (excluding oil and gas) stood at £33.8 billion. This represents an increase of 3.4% on the previous year when Scottish international exports were valued at £32.7 billion. Exports increased in almost every year between 2010 and 2018 (2014 was the exception) and in 2018, were 38.7% higher than in 2010.”

Scottish Government, 2021<sup>25</sup>

The international reputation indicator measures Scotland’s overall score on the Anholt-Ipsos Nation Brands Index<sup>SM</sup> (NBISM). The NBISM attempts to measure and rank a country’s broad reputation along six dimensions of national competence, all of which are weighted equally. The six dimensions are:

- Exports
- Governance
- Culture
- People
- Tourism
- Investment and Immigration

According to the [National Performance Framework](#):

“ Scotland’s overall score on the Anholt-Ipsos Nation Brands Index<sup>SM</sup> (NBISM) was 62.6 in 2020, a decrease of 0.1 points since the last measurement in 2018 (62.7). The score positions Scotland 17th across 50 evaluated countries around the world.”

Scottish Government, 2021<sup>25</sup>

# The Scottish Parliament's engagement in international affairs

The [Session 5 Culture, Tourism, Europe and External Affairs Committee legacy paper](#) <sup>12</sup> highlighted the Committee's [inquiry into the Scottish Government's external affairs policy](#). Changes to the Committee's work programme as a result of the COVID-19 pandemic led to the postponement of the inquiry. The Committee recommended that the Scottish Government's external affairs policy may be an area of scrutiny which a successor Committee may wish to undertake during Session 6.

The Committee's recommendation along with the UK's departure from the EU means that scrutiny of the Scottish Government's international policies present an opportunity in Session 6. Through scrutiny, it is possible MSPs will be able to influence the geographic focus and policy aims of the Scottish Government.

Both the Session 5 Finance and Constitution Committee and the Culture, Tourism, Europe and External Affairs Committee recommended that during Session 6, the Parliament should also focus on three other areas relating to external affairs. These are, the operation of the EU-UK Trade and Cooperation Agreement, how the Scottish Government seeks to continue to align with EU law and the UK Government's negotiation of new international trade agreements.

The Culture, Tourism, Europe and External Affairs Committee also recommended that a successor committee should scrutinise the Scottish Government's international development policy focussing on the recent review of the international development programme.

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