



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Constitution, Europe, External Affairs and Culture Committee

**Thursday 13 January 2022**

**Session 6**



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**CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE**  
**1<sup>st</sup> Meeting 2022, Session 6**

**CONVENER**

\*Clare Adamson (Motherwell and Wishaw) (SNP)

**DEPUTY CONVENER**

\*Donald Cameron (Highlands and Islands) (Con)

**COMMITTEE MEMBERS**

\*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)

\*Sarah Boyack (Lothian) (Lab)

\*Maurice Golden (North East Scotland) (Con)

\*Jenni Minto (Argyll and Bute) (SNP)

\*Mark Ruskell (Mid Scotland and Fife) (Green)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

David Hope-Jones OBE (Scotland Malawi Partnership)

Mark Majewsky Anderson (Glasgow Caledonian University)

Rachel Merelie (Office for the Internal Market)

Lewis Ryder-Jones (Scotland's International Development Alliance)

Sheila Scobie (Office for the Internal Market)

Jonathan Scott (Competition and Markets Authority)

**CLERK TO THE COMMITTEE**

James Johnston

**LOCATION**

Virtual Meeting



## Scottish Parliament

### Constitution, Europe, External Affairs and Culture Committee

Thursday 13 January 2022

*[The Convener opened the meeting at 09:00]*

### Scottish Government's International Work

**The Convener (Clare Adamson):** Good morning, and a very warm welcome to the Constitution, Europe, External Affairs and Culture Committee. Our first agenda item is our inquiry into the Scottish Government's international work. Today, we will hear from our fourth panel on the topic. We have with us Mark Majewsky Anderson, director of research and innovation at Glasgow Caledonian University; David Hope-Jones OBE, chief executive of the Scotland Malawi Partnership; and Lewis Ryder-Jones, deputy chief executive of Scotland's International Development Alliance. Welcome to the meeting, and thank you for your written submissions.

We will move straight to questions, and I will open with a question for Mr Ryder-Jones. In your submission, you state that the Scottish Parliament should scrutinise the Scottish Government's external affairs spending using

"a Policy Coherence for Sustainable Development ... approach".

Will you elaborate a little on that? Are there examples of that in action elsewhere?

**Lewis Ryder-Jones (Scotland's International Development Alliance):** Good morning, and thank you for having me.

My organisation has been focused on looking into how to achieve policy coherence for sustainable development for a number of years now. It has become apparent that much of the work that the Scottish Government does outwith the international development fund is an important part of our global footprint, whether in climate, environmental or human impact terms. Because the international development fund is limited in size by comparison to other such funds in countries around the world, the coherence factors become much more important to ensure that we get value for money for what we spend on international development.

Coherence issues can delve into any other policy area domestically and can potentially consider the different elements of the ripple effects of decisions and actions that take place in

Scotland. That can include our trade and business activity. It can of course include our climate plans and ambitions for net zero. It can also include Scottish Government spending on procurement and the supply chains that are involved in that.

When it comes to policy coherence solutions, it is still our view that there is much work to be done. From the perspective of those who work in the area across the Organisation for Economic Co-operation and Development, other international organisations and the United Nations, where the sustainable development goals have a specific policy coherence target, one of the most important things is that systems need to be put in place by the institutions that provide scrutiny to ensure that coherence is at least recognised—or that incoherence and trade-offs are recognised—at political level.

For example, this committee looks at external affairs, but perhaps it should be the remit of other committees to include the international impact of domestic issues relating to things such as rural affairs or the climate in order to ensure that the trade-offs and policy coherence issues are considered.

That is the first step. Beyond that, there are lots of more systemic issues in improving coherence in the Scottish context. The Parliament has a critical role to ensure that we do not end up working in silos. When we talk about coherence, it is not necessarily about finding the perfect solution; it is a journey that we all go on to improve efficiency and value for money on the one hand but also the impact that we have in sustainable development terms across economic, social and environmental issues.

I put it back to the Parliament to say that, without genuine sustainable development impact assessment tools—for example, the tool that was developed by the Scottish Parliament information centre in the previous session of Parliament—being rolled out across all committees, the Parliament cannot properly take on its scrutiny role to ensure that value for money is achieved across any area of policy when it comes to international impact. We know that the low-income countries of the world have been historically and still are very dependent on the outcomes of the trade and climate action of rich countries such as Scotland.

**The Convener:** We will move on to questions from members.

**Maurice Golden (North East Scotland) (Con):** My question is for the whole panel, but perhaps Lewis Ryder-Jones could answer first. In previous evidence, we heard from Oxfam that

"Scotland's credibility on climate justice is now in significant jeopardy due to it missing three successive annual emissions targets."

What are the witnesses' views on that topic?

**Lewis Ryder-Jones:** On one level, the commitment coming out of the 26th UN climate change conference of the parties—COP26—to create a loss and damage fund as part of the Scottish Government's climate justice funding structure was a big move forward. As we know, that was lauded internationally as an important step forward for recognising what climate justice is. It is about loss and damage and recognising that Scotland's climate action does not sit in isolation from the impact on low-income countries and, more importantly, the historical impact of our actions.

The domestic climate targets are vital, but what is more important when it comes to the international climate justice element is that we take further action. The Government should be lauded for its decision to increase the climate justice fund and to implement a loss and damage part to it. I agree that we cannot separate the two issues. Action must happen in multiple directions in order to make progress.

**Mark Majewsky Anderson (Glasgow Caledonian University):** Good morning, and thank you for inviting me.

Glasgow Caledonian University has a centre for climate justice, which carries out research not just in the ODA—official development assistance—compliant countries but across the world and particularly in Scotland.

I would reiterate what has been said, and would add that the level of funding is one thing but the way that it is directed is also important. I urge ministers always to consider the research that is being carried out and to use the knowledge that we have developed in the area to ensure that there is impact in the field at local and international level.

**David Hope-Jones OBE (Scotland Malawi Partnership):** Good morning, and thank you very much for the invitation to be part of the conversation.

I would not disagree with anything in what Lewis Ryder-Jones and Mark Majewsky Anderson have said, and I probably cannot add a huge amount on this question. I support everything that has been said on policy coherence, and the climate issue is a helpful and pertinent example of that.

When the President of Malawi was in Scotland for COP26 in November, he was not here only as the head of state of that country; he was also leading the least developed countries bloc and chairing the Southern African Development Community. He used that platform and his voice to talk passionately about where the richer countries—the global north—are continuing to let

down the global south. What has been pledged is not being met. Ten years ago, \$100 billion was pledged to support the transition to greener economies in the global south, but that still has not been met. It will not be met this year or next year and possibly might be met the year after.

It is important to ensure that our actions live up to our words. That is as important in mitigation as it is in adaptation. For Scotland or any other country to have a credible voice in this area, it is hugely important that it is taking positive steps and meeting its targets. There are good examples of positive steps that the Scottish Government has made in recent months and years in this direction, but that is no reason to take the foot off the pedal. It is important, with all humility, to be aware of where we have missed targets as well as where we have hit them and for us to recognise that we have a weaker voice when we have not met our pledges and targets to date.

**Donald Cameron (Highlands and Islands (Con):** I have a broad question for all the witnesses about the Scottish Government's international office network, which is predominantly in the European Union and North America. As a country, are we in the right locations? For instance, we have nothing in Australia or New Zealand or in South America. Do the witnesses have observations on that? I of course note the long-standing commitment to Malawi. I would be fascinated to know what our witnesses think about the location of our international effort.

**David Hope-Jones:** That is a good question. I should contextualise my answer by saying that, as chief executive of the Scotland Malawi Partnership, it is perhaps unsurprising that that is my focus.

I think that the option of having a footprint on the ground in Malawi would strengthen the Scottish Government's work, but that is not easy and it needs to be done right. The Scottish Government is to be commended for the fact that, since 2012, it has core funded our sister network in Malawi, which is the equally unimaginatively named Malawi Scotland Partnership. It does the same as we do on this side: it co-ordinates, represents and supports the many civic links between Malawi and Scotland.

I applaud successive Scottish Governments for respecting the independence, autonomy and value of engaging civic society in that way. There is opportunity for the Scottish Government to meaningfully have a footprint—a small office—in Malawi, but it should not blur the distinction between the governmental and the non-governmental. It should not disempower what is already there as a Malawi-led civic enterprise co-ordinating the Malawian civic side, and nor should

it confuse or complicate the fact that the Government of Malawi, of course, determines policy in Malawi for that side.

The fundamental relationship between Scotland and Malawi is not necessarily one of big numbers or corporate entities; it a relationship of friendship, human understanding and dignified partnership. The ability to have a civil servant or two in Malawi to develop the long-term relationships with the Government of Malawi and with civic society there would probably help things. However, it would be a very different approach from what is happening in Washington and elsewhere, because it would not be about Scotland trying to have influence or about building trading relationships; it would be about depth of understanding and strength of relationship.

**Lewis Ryder-Jones:** From the perspective of the organisation that I work for, unsurprisingly, the countries that Donald Cameron mentioned do not factor in the thinking of the organisations that I represent. Our membership contains around 200 organisations that work across about 100 countries, almost all of which are what we would term global-south countries. They are UN-determined low-income to lower middle-income countries and are predominantly in the global south. That will frame the answer that I am about to give.

The reality is that Scotland's economic development over the centuries, from the slave-trade era onwards, has benefited from and exploited global inequalities. We must recognise that and be honest with ourselves about it and about what we want from our international relationships as a small sub-state actor. I firmly believe—I think that this is reflected in the views of our member organisations across the world—that solidarity with the world's most marginalised is more important than anything else at a time when global inequalities are rising and the challenges that the planet faces are getting worse.

Without a reduction in global inequalities and without understanding, as David Hope-Jones said, the identities and cultures of the people in the parts of the world from which we perhaps do not gain in an economic sense, I do not believe that we can make genuine progress with action. If there were to be more Government offices across the world—I firmly agree that that is a very different thing from having civil society actors in those settings—we would be in a better position to consider investing more in the areas of the world that are currently considered lower-to-middle income and where progress can be made in understanding and cultural ties can be extended and increased. That said, I do not believe that that should necessarily be a Government office. I think

that civil society investment is a much more powerful expression of that kind of development.

09:15

**Mark Majewsky Anderson:** I echo Lewis Ryder-Jones's last point. There is a real tension between depth and breadth of international relations. Some would argue that prioritising certain regions and neglecting others is not desirable but, on the other hand, the alternative is not practical if you want a depth of relationship.

The solution is to use the help of civic society organisations and universities to gain a footprint in countries across the world. Our university has extensive networks in Latin America, not just with universities but with Governments and civic society organisations. I urge the Scottish Government to use those organisations to map where we have a presence in countries and what that presence looks like. The Government could then take advantage of that and ensure that we have more of a foothold. It would then be able to make an informed decision about the potential for investment in future.

The rhetoric is often about the Scottish Government helping to facilitate international engagement. I think that we could switch that and talk about how universities might help the Scottish Government to engage more deeply with countries in other regions.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** Returning to the issue of policy coherence and what we all understand that to mean, in the past, many people in the Parliament, the Government and elsewhere have talked about mainstreaming interest and involvement in the work of the Government's international development department across all parts of Government and the public sector.

Where do you think that we have reached on that agenda, whether on practical issues, such as how we distribute surplus equipment or how we involve different areas of Government in that enterprise, or, more broadly, on awareness in different parts of Government and the public sector of the importance of work in Malawi and elsewhere? I put that question first to David Hope-Jones and then to Lewis Ryder-Jones.

**David Hope-Jones:** As I said, we stand behind the concept of policy coherence for development, and I think that there are very helpful examples in the relationship between Scotland and Malawi to that effect. We can look, for example, at what Scottish Water and the Scottish police force have done with Malawi, and at what has been done on the health side of things. The reason why the Scotland-Malawi bilateral relationship is a particularly fertile ground for such cross-cutting

links with Malawi is the extent of civic support and buy-in.

When we look at why something has been developed, it is often the case that that has happened not for some top-down strategic reason, but because the officials, the politicians or the Government ministers involved have their own connections with or interests in Malawi. They might have been to Malawi and seen the impact, or maybe their mum's church link or their child's school link has exposed them to it, which made them think, "What are the opportunities in my workplace to be able to be involved?" Therefore, it has grown up quite organically rather than strategically. I do not in any way mean that as a criticism.

There are a range of interactions between Scotland and Malawi across a broad number of areas within the Scottish Government, but also across civic society and Parliament. As the national network, our mission is to bring together the myriad different links that have grown organically to ensure that they can offer maximum strategic impact by ensuring that they build on the learning of others and make a meaningful contribution to the plans and priorities of the Government of Malawi.

There are a good number of cross-cutting examples, but I would encourage the development of more. I would encourage other areas within the Scottish Government to look at what can be done. While those projects develop organically, there is an essential job to be done, which is to co-ordinate and bring together the different work that is being done, and to have a single touch point with Malawi to ensure that we are really listening to Malawi's priorities.

**Dr Allan:** Lewis Ryder-Jones, is there anything that you want to say from the Government's point of view? Can you evidence such activity?

**Lewis Ryder-Jones:** There were two parts to your question; the first was about how we define "policy coherence" and the second was about whether there are examples of such activity. To be frank, I do not think that transfers of equipment from the NHS is an example of policy coherence. That is not defined as an action. It is perhaps part of what the Scottish Government defines as the beyond aid agenda, but those are two separate things.

When we talk about policy coherence from the perspective of the research that we have been doing over the past few years, we are talking about something very unsexy, very uninteresting and very boring. It is about process. It is, in fact, an uncomfortable process for ministers and Government officials, because it is about recognising where we could act in our own self-

interest or in the interest of others. It is about accepting that sometimes self-interest has to come first in order to represent the constituents that a particular member might represent. An example of that might be subsidising a particular company that might have a negative international impact. I remember reading relatively recently about one such company in Fife.

The reality is that choosing domestic jobs over international impact is part of an uncomfortable conversation that processes around policy coherence would force us into. I think that that is where we come from when we talk about policy coherence.

**Dr Allan:** My example about hospital equipment was not meant to cover the breadth of policy coherence, although you make a very fair point. What I am driving at is whether other parts of Government are becoming more aware of the very important issues that you have just mentioned. Is it possible to ensure that those ideas are not completely corralled within your department? That is what I am driving at.

**Lewis Ryder-Jones:** I think that that remains the biggest challenge. It is inherently difficult to stop silo thinking within any department of Government. Such thinking is natural and, in many ways, I do not think that we have made enough progress. We are coming to the end of the early stages of some research in advance of what we hope will be a wellbeing and sustainable development bill. The introduction of such a bill to Parliament was in the Scottish National Party manifesto, along with others, and it was also in this year's programme for government, although it is not in the legislative programme, so we do not expect it this year.

The purpose of the research that we are driving to influence that piece of legislation is to give us a base understanding of where other departments have got to with their journey to policy coherence. Unfortunately, the reality right now is that it is quite low.

I will give some examples. Two years ago, I worked on a document entitled "Outcomes-focused Policy Making in Scotland", which was created in partnership with a European Union-funded project called Bridge 47. The national performance framework team within the Scottish Executive supported the creation of that document in an effort to improve understanding of how the national performance framework outcomes could be themed through a holistic policy coherence lens. As far as I understand it, that document and toolkit is not widely used within Government. If we want genuine action on policy coherence, we must find a way to ensure that the civil servants who support policy making and the ministers in charge use that lens to make progress.



Another example might be the ministerial working group on policy coherence. We were really glad to see that that kicked off last year, and we understand that it will continue. The conversation that can take place within the ministerial set-up in order to talk through such trade-offs and incoherences is a big part of the process, but it is not the only part. Those are cogs in a bigger machine that we must try to ensure are systematically undertaken.

**Dr Allan:** I would like to ask David Hope-Jones how our understanding of climate justice has developed post-COP and post the review of international development policy in Scotland; if you wish, you can answer specifically on Malawi. Lewis Ryder-Jones might want to respond on that issue, too.

**David Hope-Jones:** My first point is that climate change—the climate crisis—is not an abstract proposition in Malawi; it is not something that can be debated. It is the reality of life—rains are arriving later and are generally harder to predict. When they arrive, they are much harder, and the lake level is going up and down. For a country that is made up overwhelmingly of subsistence farmers, those changes have a material humanitarian impact. We are speaking today in what Malawi calls its hungry season. When we discuss such matters, it is very important that we recognise the immediate human impact of what we are talking about.

Of course, the concept of climate justice—the concept of those countries that are suffering the most, such as Malawi, contributing the least—is hugely important and hugely relevant in Malawi. Fewer than 10 per cent of Malawians have access to grid electricity. The overwhelming majority of electricity in Malawi comes from renewable sources—hydro in the Shire river—yet Malawi is a country that is potentially being destroyed by the climate crisis.

That is why it is absolutely critical, as I said earlier, to listen to what President Chakwera and others said throughout COP26. They were very clear that there needs to be a greater focus on justice, and that promises and pledges cannot be reannounced year after year and decade after decade without real and material progress being made. We can be judged only on what we have achieved in the most recent year, not on what we promise to do in the next 50 years or so.

However, good steps are being made. I very much welcome the Scottish Government's announcement that it will significantly increase—triple, I think—the climate justice fund. I very much welcome the announcement about the renewables centre of expertise. The position that we are in now is that we are trying to nail down what is

behind those announcements. What do they mean? What will that look like?

Critically, throughout the process, we need to be listening really well to our colleagues in Malawi. What do they need? What is most relevant? We need to take those big policy announcements out of the headlines and down to the details. I would argue that listening to Malawi is the single most important thing that we need to do in the next few months. We need to ensure that, by the time Scotland is represented in whatever form at COP27, we have delivered against what we promised at COP26, because that has already been set. There will be a credibility deficit if we do not do that.

**Dr Allan:** Lewis Ryder-Jones, do you have any comments to make on that? A few years ago, I had the privilege of being in Malawi on behalf of the Government, and people spoke to me about the issues that David Hope-Jones has just mentioned. They said that they could see the climate and the landscape changing radically and dramatically around them. Although I do not think that anyone expects Scotland on its own to be able to put that right, could you say something specifically about Malawi and what Scotland is working for and doing as far as climate justice issues there are concerned?

09:30

**Lewis Ryder-Jones:** My organisation's interest goes much beyond Malawi, Dr Allan, so if it is okay, I will give a broader answer to that question.

For the organisations that work in the hundred or so countries that we represent, climate justice came out as a strong, if not the strongest, driver for action on COP in any setting. We worked with organisations to try to understand what that meant through a collection of personal and human impact stories about what climate justice means in different settings. The reality is that it means a lot of different things—it means social justice, gender justice and intergenerational justice—and that, globally, in countless settings across the world, we are failing.

COP26 failed to deliver on climate justice. That is a sad reality. It is true that there were increases and a welcome commitment on loss and damage but, globally, we are still far short of what needs to be done. Scotland has become a beacon on loss and damage in particular, but there are other areas where we can step up and join others—beyond fossil fuels is an example of such an area. The stories about climate justice that came out of our work pre-COP went far and wide. They were not just about damage from changing weather patterns; they were also about risks to food supplies, challenges for education outcomes and,

in particular, the impact on women and girls across global south countries. Those are the messages that came out strongest in our work.

**Mark Ruskell (Mid Scotland and Fife) (Green):** I found some of David Hope-Jones's comments about Malawi to be particularly sobering. I was there in 2005 and you could see back then what the climate impacts were, particularly in relation to the variability of rain. It is terrifying to think about what things might look like in years ahead.

David Hope-Jones mentioned the small grants programme in his submission. One thing that has stuck in my mind from going to Malawi is the impact of community-based organisations, which were doing a lot of work with very small amounts of money.

You said in your submission that the Scottish Government stopping the small grants programme was a "misstep", and you point to some of the difficulties in the evaluation of the scheme. Can you say a bit more about that? How can the evaluation of small grants schemes be improved? Accounting for public money for development is really important, so how can we continue to do such work while building confidence that the money is going to the right places and achieving its objective?

**David Hope-Jones:** The small grants programme is probably one of the best bits of what the Scottish Government has achieved through its international development programme over the past 16 or 17 years or so.

It is important to emphasise, as others have already done, that the scale of the total package from Scotland, even with the decision to decrease funding from 0.7 to 0.5 per cent of gross national income south of the border, is still about a thousand times smaller than that provided by the UK. That is not a criticism of Scotland, because that is additional to UK funding and hence all the more meaningful. However, even the small grants programme is a very small component of that total pot of funding—it has always been less than £500,000.

Historically, in relation to that pot of money, the Scottish Government has not asked what it can do with a single project of about £500,000. Instead, it asked, "What if we thought differently? What if we thought innovatively about how we support perhaps a dozen or two dozen different projects—long-standing, smaller projects—to be able to work with Malawi with much smaller quantities of money?" By doing that, the Government has been able to engage a very different section of civic society in Scotland and Malawi.

My first-hand experience is that some of those small grants had a remarkable impact on the

ground. This is in no way a coded criticism of larger organisations and more structural approaches, which are equally important, but I was astonished at the value being achieved using relatively small quantities of money and the impact that you could see on the ground through, principally, volunteer-run organisations.

I think that the small grants programme was particularly well thought through in that it looked to deliver not just project grants. It also provided capacity-building grants and grants that allowed organisations to say, "Look, we've got a great idea but we just need to put in a bit of research and thought. We need to put in time to listen to our colleagues and counterparts in Malawi to develop this idea before we start the doing".

What made the small grants programme such a success was the management style of the Corra Foundation, which did a fantastic job, again with remarkably little money.

To a huge degree, your success in this space is determined by your values and your approach. The Corra Foundation has always been clear that it has a supportive and empathetic approach. It has helped small organisations to apply for funds. It has recognised that a small volunteer-run organisation does not have a staff member who is well versed in all the language that you should put into application forms. Beyond helping with the forms, the foundation has picked up the phone and spent an hour, or maybe an hour and a half, with each applicant, just talking to them about their project, listening to them and their Malawian partners, understanding what was proposed, and then working with them through the life of the grant to ensure that it was a success.

From the outset, I expressed my reservations about how the review of the small grants programme was set up. The terms of reference of the review say that it should not consider the impact that projects have had. I completely agree with what Mark Ruskell said. We are talking about taxpayers' money, and its use absolutely must be led by evidence. However, I do not see how you can review the success of a programme without looking at the success of the projects in it. In fact, the terms of reference do not necessarily require the contractor even to look at whether the programme's objectives have succeeded.

The end report made the criticism that there was no clear evidence of success against the objectives of the programme. However, it was very clear that that was because of the way in which the objectives were written at the beginning of the process. That was not necessarily due to any failure of the programme. It is hard to measure success because of how the terms of reference were worded when that was first set out.

I have looked at the rest of the international grant programme and I am not convinced that all the other units have easily measurable objectives. I think that that is a fair point and improvements can probably be made in that regard. However, I certainly do not think that that is a reason to have cancelled the small grants programme.

If you look at the recommendations in the report, the one with the greatest number of reasons in support of the small grants programme—it has the most bullet points saying that it was a good idea—recommended keeping the programme. The recommendation to cancel it had the fewest points recommending that and the most reservations about doing so.

I slightly raise an eyebrow at a case being made that the report showed that there was no demonstrable empirical value from the small grants programme. I do not think that report does that. Certainly, my experience of working with those organisations—those that have been successful and even those that were unsuccessful in their application to the small grants programme—is that the sector speaks with one voice. This was a uniquely supportive, fantastic programme with a remarkable return on investment. The SNP previously made a manifesto commitment that the small grants programme would be continued in the previous parliamentary session. I stand by our words in the submission that we see its cancellation, despite that manifesto commitment, as a “policy misstep”.

**Mark Ruskell:** I want to return to the topic of policy coherence, on which I have a question for Lewis Ryder-Jones. You diplomatically talked about a company in Fife. I think that you were talking about Raytheon UK and the account management that Scottish Enterprise was supplying for that arms company. Do you think that significant policy coherence issues still exist? We have talked about successes, but we have not talked about where there are some real tensions. You are working on and have been inputting into the wellbeing and sustainable development bill that is coming forward. Do you see a role for, say, a future generations commission providing some of the governance on sustainable development going forward?

**Lewis Ryder-Jones:** The reality is that, when it comes to policy coherence, without proper systems in place across Government, Parliament and other public bodies, it is very difficult to ensure that examples of incoherencies become less frequent. In other words, without systems in place, the frequency of incoherencies will continue. Indeed, there is potential that such things will come up even more often. That is part of the rationale behind our calling for a wellbeing and sustainable development bill.

There are examples of where we have not yet chosen to see things through that lens, which could lead to problems. The most current of those is the Good Food Nation (Scotland) Bill. The bill has the power to be all-encompassing, if it is seen through a lens beyond the remit of the particular committee that is working on it. I know that the Scottish Food Coalition recently submitted its evidence to that committee suggesting such an approach.

A good food nation bill must, by definition, include the impacts of how food is produced and grown in other parts of the world. What are the impacts on the livelihoods of the growers and farmers across the world? What are the climate and environmental impacts of that food production and waste as a result?

The remit of such a bill, if it was being scrutinised at this stage from multiple angles, could extend to those issues and also give us a chance to limit the incoherence or trade-offs that might come as a result of putting a good food nation bill through Parliament. That is one current example.

There will always be examples, large and small. I will give a very small example. We know that the Scottish Business Pledge is not widely used. The pledge has all the right intentions, but, again, if we had included an international aspect to that, we might have captured other businesses that take particular actions and have a remit outwith Scotland’s border and got them to consider how they function in relation to social, economic and environmental outcomes elsewhere. Those are a couple of examples for you.

When it comes to the future generations commissioner aspect of a wellbeing and sustainable development bill, part of our research looked at the Welsh experience. One of the criticisms of the Future Generations Commissioner for Wales is that the role lacks teeth. The commissioner does not have the powers to hold the Government accountable or to force changes in direction.

A future generations commissioner is welcome as part of such a Scotland bill but only if the mechanisms for accountability exist and the duties can be legally enforced by that commissioner.

Legislation that looks at wellbeing and sustainable development must have an international dimension. By definition, sustainable development is global, not domestic. It includes all of us, everywhere, and everything. However, if a future generations commission is established and money is invested in that, we would probably say that it would not have value unless the legislation that links to the commissioner has the teeth and the power to hold Government to account.

**Mark Ruskell:** I have a brief question for Mark Majewsky Anderson. You mention in your submission the need to support new EU-based foundations. We have left the EU, but do you have examples of policy areas on which we can focus and should be focusing and developing new initiatives? Should we be looking to join existing EU foundations, as well as foundations that can work outside the EU?

**Mark Majewsky Anderson:** Yes, certainly. Part of my rationale in my submission for setting up foundations that are based in Europe—we have been doing a lot of work in the university looking at the feasibility of this—is that they have an international flavour but allow Scottish universities and organisations to have a footprint there, to work from there and to benefit from European funding, which is important.

Across Spain, there are many organisations that, in one way or other, are helping civic society organisations to access European funding for areas such as climate change, and which, although they are intrinsically working with universities, they are working independently. They benefit from European funding, but they also benefit from taking a consultancy role, especially if they have international networks. It seemed to me like a model that we should at least be exploring as a way of continuing to engage with Europe and our partners in Europe.

09:45

I will give a small example. The University of Strathclyde has a research centre that, post-Brexit, has turned into a foundation in Delft in the Netherlands, which focuses specifically on European policy. That model can be extrapolated in various forms across Europe, after doing due diligence on which location would be best.

That would not just be to engage with other European partners. As we know, European funding works across the world. Glasgow Caledonian University has benefited enormously from such funding, but it has also helped partners in Latin America, south-east Asia and South Africa. We were acting as agencies for that funding.

The global challenges research fund—my colleagues have been talking about evaluation and so on—was fantastic for evaluating such projects. The UK Government has now suspended the GCRF, and we know that the British Council is losing funding. Such funds allow us to have influence across the world. Those are very small amounts of funding but they really help us to engage.

On the one hand, we need to look at that funding at a Scottish level. On the other hand, I

see the development of European foundations and a European presence as a way for us to continue to use European funding to help with small projects like that.

**Jenni Minto (Argyll and Bute) (SNP):** This has been very informative. I will ask David Hope-Jones to answer my question first, but others may wish to comment as well.

In your evidence you said that there was a distinctively Scottish approach to international development. Could you expand on that, perhaps with a few examples from your Malawi experiences?

**David Hope-Jones:** It is important that for an inquiry like this that the committee takes a big-picture view. That means, with all humility, looking at the issue from a historical, existential and constitutional viewpoint. Why does Scotland do international development? Why does the Scottish Government do international development? The case that I make is that it does so because Scotland as a nation has developed something quite distinctive in its approach to progressive internationalism, particularly as expressed in the bilateral relationship with Malawi. Seventeen years ago the Scottish Executive, as was, went out to Malawi. The First Minister at the time, Lord McConnell, fell in love with Malawi, as countless Scots have done before and since, and he was struck by the scale of civic links that he saw across Malawi. He was amazed that you could go across Malawi and reliably meet people who would be banging on about Scotland and their church links, their school links, their university link and the links that they had through the charities that they were involved in.

I have spoken to Lord McConnell about this and I know that he was genuinely bowled over. He came back and started speaking to people in Scotland and he saw the same glimmer—that spark in people's eyes—and the enthusiasm that was there for working with Malawi. His sense was that that was quite distinct from the sadly dominant international development industry paradigm of the day, which was based more on an assumption that we in the global north have the answers for the global south, and that what works in Madagascar can be unproblematically transplanted to work in Malawi, and that we need not be particularly interested in listening to people on the ground in a meaningful way.

The business case that was made at that point constitutionally was that Scotland and the Scottish Government could add value by supporting civic links and were able to achieve something quite distinctive. The Scottish Executive never set out to emulate or replicate what the UK Government was doing with the Department for International Development, now the Foreign, Commonwealth

and Development Office. I think that there is a real danger that, if we lose that self-awareness—that big picture view and that humility—we will try to spread the jam too thinly. Inevitably, for practical reasons, that would mean sacrificing the principal foundations on which all of our efforts are built. Key among those principles is dignified partnership—real, meaningful, human partnerships and a recognition of the value that all of civic society can have.

The bilateral relationship between Scotland and Malawi is not limited to or even defined by the governmental relationship. The President of Malawi said exactly that, speaking at our annual general meeting in the autumn. He commended the Scottish Government for recognising that the bilateral relationship was far more than that. It involves the 1,200 civic links, the 109,000 Scots and 208,000 Malawians working together in dignified, human partnership and the constructive synergy between the governmental, the parliamentary and the civic society. That is what is so extraordinary. Every one of the 129 MSPs has Malawi civic links in their constituency. That means that there is all-party political support that encourages and applauds the Scottish Government when it works in this space and that support feeds back to civic society, creating a virtuous circle of a national effort between Scotland and Malawi, which is remarkable. For every pound that the Scottish Government puts into the Scotland Malawi Partnership, more than £200 comes from Scottish civic society. There is no other country in the world that can say that. That is something exciting and special. I encourage the committee to, in turn, encourage the Scottish Government to not lose sight of those principles that were foundational at the start of this journey 17 years ago.

It is to the immense credit of successive Scottish Governments, but particularly the current Scottish Government, that there has been an increase in the scale of the international development programme from £3 million to £4 million and then to £9 million and on to £10 million, and now to £15 million in the life of this Parliament. However, even at that level, it is comparable with the island of Jersey's international development programme. We cannot kid on that that is a world-changing quantity of money, however good it is, and so my encouragement is to focus on the distinctive approach that values civic mobilisation in countries, that has dignified partnership at its heart and that is able to support good governance through the constructive synergy between the non-governmental and the governmental and parliamentary that is based on a reciprocal approach.

I am afraid that our meeting today is too short for me to go through a great many examples but perhaps I could give a hyperlink to a single document that has 1,200 different examples, disaggregated by every Holyrood constituency, showing hundreds of schools, hundreds of churches, all universities in Scotland, half the local authorities, a great many businesses, all working in this way, with mutual respect and human solidarity. There is something special there and, while we grow the scale of what is happening at a governmental level, which is fantastic, let us not lose the principal foundations on which that has been built.

**Jenni Minto:** I smiled at your comment about people-to-people conversations because people are people the world over and we have to recognise that. I am looking forward to visiting Oban high school in the near future, which is in my constituency. Lewis Ryder-Jones, do you have any thoughts and comments on a distinctively Scottish approach and our not being able to follow, given the size of the funding available, the more defined route that we expect from DFID or the Foreign and Commonwealth Office?

**Lewis Ryder-Jones:** I echo much of what David Hope-Jones said, primarily on the value and distinctiveness of civil society and, as you just mentioned, people-to-people connections that are created out of Scotland with people elsewhere. That is not limited to Malawi and if the same assessment was done—and sadly it has not been done yet and we plan to do it—across other countries, not just the four partner countries that the Scottish Government has but beyond that in all continents of the world, we will find the people-to-people connections are even more vibrant than 1,200 connections. That needs to be celebrated, emphasised and invested in. There is something else here though, that we must be up front and frank about the direction that the UK Government has taken latterly with its own international engagement post-Brexit, what is defined as global Britain and what that means and what Scotland can do to work with but also to prove that there is potentially an alternative path for international engagement.

It is clear that the funds available for the Government are limited but that does not mean that examples cannot be set across a range of areas that might be scaled up. I agree about civil society and our members are proof of that too. They operate people-to-people relationships from all sizes and types of organisations across a range of different sectors, not just the non-governmental organisations world.

There are examples, such as the recent decision on loss and damage funding, that are not going to make a massive difference to the global

significance of loss and damage funding for climate, but the fact that we can be a beacon of hope, to use the language, the rhetoric, and start a process that other subsidy actors, other regions, the Jersey example or others around the world may get behind, and then suddenly you can scale up something.

It is important to recognise the potential that a country like Scotland has to be a world leader on particular issues. The way in which we structure our funding and the themes that we approach, whether it is supporting LGBTQI communities across the world or supporting women and girls in new ways—I know that the minister has recently announced an equalities fund that will do just that—are positive steps and should be lauded as examples of the distinctive approach.

**The Convener:** We are tight for time now, so it would be helpful if we can have succinct answers.

**Jenni Minto:** I was at a couple of COP26 fringe events and I heard someone comment that the cost of doing nothing is more than the cost of doing something. Lewis Ryder-Jones, could you expand on your statement about support for calls for the cancellation of all external debt payments?

**Lewis Ryder-Jones:** That is a good example of where the powers of the Parliament and the Scottish Government unfortunately do not allow us to support that in any meaningful way other than through rhetoric. We saw what the First Minister was able to do by using rhetoric at COP26, which was a UK Government-led event, in order to change narratives and support new ways of thinking.

There is no broad consensus on the cancellation of debt and debt jubilee more widely and most of the powerful nations of the world do not get on board. It takes leadership from significant small sub-state actors, such as Scotland, to change that narrative. It takes policy statements and repeated public statements on particular issues to make progress on those issues and lead by example.

Sadly, other than the informal pressure that can be put on the UK Government through Scottish Government channels, there is not much more that the Scottish Government can do at this stage, but it is encouraged by our members across the piece to make such supporting statements.

**Sarah Boyack (Lothian) (Lab):** It was good to read your submissions in advance of our discussion. Two core areas have come up today. One is about the funds that are spent on international development—whether it is the international development fund, the climate justice fund or the small grants fund, which has been lost—and the other is the issue of the need for a more cross-cutting approach across Government

policy. I have two questions. How do we get more value from the existing finance through the international development fund and the climate justice fund, and how do we measure that value? Secondly, what do witnesses think about the small grants fund?

10:00

**David Hope-Jones:** Following the convener's steer, I will try to be as brief as I can be. We say a few different things in our submission but the issue that I would pick out for brevity is transparency and accountability. In the grand scheme of things, £10 million is not a huge amount. Although £15 million is fantastic, we still need to have tight systems to ensure that we are getting maximum value for that. Historically, there was a call for applications every year and almost everything had a competitive process that was clear and transparent. I could say to our members, "Do not apply this year; instead, develop the concept and apply in 12 months' time". I cannot do that now because there might be a call in five years' time but it depends on the whim of the day. There is not the predictability, the transparency and the accountability that there once was. Almost everything other than the core funding for organisations that has gone on for 15 or 17 years should be competitively tendered for because that builds confidence and awareness.

I am worried that an outcome of the review is that, although there is a principle that says that there should be transparency and accountability, none of the different strands of grant making requires the Scottish Government to have a transparent process. It is hugely important that the process is predictable, transparent and accountable. Following that approach will deliver the best value for money.

**Sarah Boyack:** Lewis Ryder-Jones, you also talked about the importance of the value that comes from our international development funds and how we make the most of that. Can you say a bit more on that?

**Lewis Ryder-Jones:** I will quickly echo what David Hope-Jones said about transparency and the fact that organisations that might want to apply for grant funding through those funds need to have transparency so that they can plan for those grant applications.

However, beyond the transparency issue, it has been striking at a parliamentary level over the years that, when international development funding has been debated in the chamber or elsewhere, there has not been the level of understanding across the Parliament of what the money has been spent on and, therefore, scrutiny has potentially been missing. There has often

been a positive conversation on the successful relationship building that has come about through the funding but there has been less of that with regard to the impact of projects across the partner countries. I propose that the Parliament has a role to play to ensure value for money and should ensure that meaningful debate is had on the spend.

The international development fund should not be seen in isolation. That issue goes back to the issue of policy coherence. We cannot see value for money unless we see it as connected to everything else that is going on in the Scottish context and, again, the Parliament has a role in ensuring that that happens.

**Sarah Boyack:** That takes me to my second question. One thing that has come through from all three witnesses is the importance of a broader approach, a sustainable development approach and a joined-up approach. I would like to hear a little bit more about how we get that change in other Government spending and Government policy that develops on sustainable development and feeds into international development ambitions that we have. I am not talking just the £15 million; rather, I am asking how we can get the rest of the Scottish Government's money to play a positive part?

Mark Majewsky Anderson, I invite you to answer first. Earlier, you talked about how you deliver things on the ground and I would like you to talk about what sustainable development means for the further and higher education sector in an international development context.

**Mark Majewsky Anderson:** I think that there are two areas, and I thank you for the question, because I have been wanting to come into the debate for some time to mention them.

With regard to policy coherence, we have a real opportunity in higher education in two areas. One concerns the fact that we have talked a lot about evaluation and impact and our researchers in a variety of areas are well positioned to do work in that regard—indeed, they have been doing that for many years through different strands of funding. This is a way of increasing the added value of what we are doing. We are increasing our research and our knowledge base but we are also able to demonstrate impact. There is an increasing amount of what we call *pracademics*—people who are not just academics but are also working on the ground and helping to facilitate improvements as well as measurements.

The second area that is crucial and where I think that we can do a lot more is student mobility. As we know, we have lost the Erasmus grant, which was great for European mobility but also for the mobility of students across the world. We have

lost that and it has been replaced by the Turing scheme, which is one direction only—in other words, it helps our students travel to other places. What we have lost completely is the idea of giving opportunity for mobility to the new generation coming out of a developing world, so that they can benefit from our education systems but then return to their own countries, which is something that really adds value because it is far less to do with us coming in and helping the countries and more to do with planting the seeds that enable people to develop further.

If we are talking about the way to make money go further, investing in enabling student and researchers from different countries to benefit from the Scottish education system is important. By the way, in terms of international renown, the higher education sector in Scotland is probably without equal across the world, in per capita terms. I think that we can really invest in that area.

**Sarah Boyack:** That is useful.

Lewis Ryder-Jones, to move on to the wider issue, you have talked about other areas where the Scottish Government could act on the wellbeing and sustainable development agenda. You mentioned issues such as public procurement, public policy and leadership and business practice. Could you give us a sense of what the Scottish Government can do with its other money, not just the money for international development, and what it can do to use public bodies and agencies to make a positive impact on sustainable development and climate justice?

**Lewis Ryder-Jones:** At its heart the issue is about creating global citizens in Scotland. I do not think that we can make genuine progress without an increasing awareness among the general public of how their actions impact the social, environmental and economic outcomes of people elsewhere. A big part of legislation to that degree must include an element of upskilling of civil servants, parliamentarians and the wider public on the impact of our actions. We cannot now, if we ever could, decouple our own actions from what happens elsewhere. Whether it is a procurement plan for a particular public body or the expansion plan of a particular business, we must have a starting point where we are aware of the types of questions that we need to ask ourselves to ensure that we are making decisions based on all the information that we have.

A big part of legislation to that degree should be about upskilling and ensuring that the right questions are asked. That probably means more work for people. We must be honest with ourselves about that. Achieving sustainable development and thinking about global impact is not an easy process. It makes what we do more difficult, but that is important. We are at a point in

global history where, if we do not make things more difficult for ourselves, we will fail the future generations that are yet to join us on this planet. It is as simple as that: we must accept that our jobs will be more difficult.

**Sarah Boyack:** David Hope-Jones, in your evidence you commented on the benefits to Malawi of an additional investment of £49 million on top of what is presumably quite a small amount of money. Can you say a bit more about how the wider approach to sustainable development that Lewis Ryder-Jones has just talked about and changing other Scottish Government policies could benefit people in Malawi?

**David Hope-Jones:** The multiplier effect of the Scottish Government's programme to Malawi is extraordinary and that is because of the energy and vibrancy of wider Scottish civic society. The critical point is that joining up the governmental and the non-governmental is absolutely key. Scotland is a small nation—again, I stress the need for humility and self-awareness: we are not going to change the world, certainly not with these sorts of quantities of money in the public purse, but the way that we can box clever is to connect things. I completely agree with what Mark Majewsky Anderson said about higher education. At this time on Monday I was meeting with the vice-chancellor of the University of Dundee, listening to him passionately talk about the desire for that university to grow its work with Malawi. At this time yesterday, I was listening to 12 different Malawi projects in the University of Strathclyde, looking at the impact that they are having despite the challenges of the Covid pandemic.

The opportunities to connect up are absolutely huge, and that is how we will deliver far more as a country. My encouragement is to say let us try to get out of these boxes so that we can have better conversations between government and civic society and unleash the awesome force of all of that enthusiasm and expertise that I think that we have. There is real willingness in these institutions and associations across Scotland.

**The Convener:** I thank our witnesses very much. I think that we have only scratched the surface of some aspects of our discussion today and we could examine them in much more detail. I was particularly struck by Mark Majewsky Anderson's comments about the foundations and how we might develop working in Europe. I hope that we will be able to come back to those issues over the course of our inquiry. One of the first projects that I was aware of in this area was Malawi midwives being trained virtually at the University of the West of Scotland. That was many years ago but seeing such projects in action brings home how effective they can be.

I will suspend for a moment to allow the witnesses to change over.

10:12

*Meeting suspended.*



10:13

*On resuming—*

## United Kingdom Internal Market

**The Convener:** Our next item is the committee's inquiry into the United Kingdom internal market. This is the committee's fourth panel on this topic. The committee will hear from Jonathan Scott, non-executive director and chair, Competition and Markets Authority; Rachel Merelie, senior director, office for the internal market; and Sheila Scobie, director, office for the internal market. I welcome you all to the meeting this morning and thank you very much for providing your written submissions. We will move straight to questions and I remind my colleagues to put an R in the chat if they wish to ask a question.

I will open with a question to Mr Scott. Can you please elaborate on the OIM's role in providing reports or advice on specific regulatory provisions on the request of a relevant national authority? I am particularly interested in the transparency of this work. Will requests of a national authority or any advice given be made public, or will the parliamentary committees or parliamentary legislators be informed of such advice?

**Jonathan Scott (Competition and Markets Authority):** I will ask Rachel Merelie to deal with the detail of this question, but I would like to get over the importance of what we are trying to achieve at the OIM, which is that we will give advice that is independent, impartial and evidence based. That takes us back to what the Competition and Markets Authority's everyday activity is around. It is around understanding markets and how they operate and making that accessible. I think that making it accessible is probably the handover from me to Rachel Merelie.

10:15

**Rachel Merelie (Office for the Internal Market):** The office for the internal market has two broad functions. One is a broad monitoring and reporting function, but the narrower one, which I think you are asking specifically about, is to provide advice or reports on specific regulatory provisions, either before or after they are made. The national authorities can come to us with a request for those reports or advice and can also ask us for advice on regulatory provision that another national authority has made if they feel that that might be detrimental to the internal market.

**Mark Ruskell:** I want to ask about engagement and, in particular, about how you engage with different groups. With the EU there is very deep engagement at policy and implementation level,

which stakeholders have been used to up until now. In terms of your role, how are you engaging in particular with businesses but also with other stakeholders, such as those representing consumers and perhaps even regulators? What does the programme of work look like? How are you ensuring that your work is transparent and that you are able to take on the views of, and communicate effectively with, those groups of stakeholders? Some detail on that would be most useful.

**Jonathan Scott:** I think that it is right to put this in context, particularly as we are before a committee of the Scottish Parliament. We have had an office in Scotland for a number of years. We have approximately 60 people and those numbers will continue to rise. We have had a programme of engagement with the Parliament, with the committees and much more widely. For example, we had a consultation on our annual plan at the beginning of this week with stakeholders from industry and consumer bodies. I will ask Sheila Scobie to give a little more detail, because she has led our office in Edinburgh since inception but has now moved over to a director role in the OIM. Reflecting the point that Mr Ruskell made, I think that it is critical that we engage widely to do this role well. I will ask Sheila Scobie to flesh out a little bit what I have said.

**Sheila Scobie (Office for the Internal Market):** I am very glad that you have asked that question, because it is key to what we are working on at the moment. The strong message that we got in response to our consultation on our guidance last summer was that a very important purpose for our first year should be engaging with important stakeholders and building awareness but, most importantly, building trust in the OIM as an institution that can advise on and help with what are quite complex and sensitive issues. We are very much building on our existing relationships.

As Jonathan Scott said, I have been the director in the CMA responsible for outreach in Scotland, Wales and Northern Ireland for quite a number of years. We have a very strong network of contacts across the business community and with consumer bodies such as Citizens Advice Scotland and Which? in Scotland and we are increasingly developing a good relationship with the emergent Consumer Scotland. As part of our work to develop the OIM, but also since launch, we have been reaching out to business organisations such as the Confederation of British Industry, the Federation of Small Businesses and, increasingly now, some of the sector organisations, particularly in sectors that we think are likely to be most in scope, such as the food and drink sector and the environmental sector.

**Mark Ruskell:** What does that look like practically? Can you give us a worked example of engagement on a particular issue? That might be useful.

**Sheila Scobie:** Certainly. We ran a number of business round tables on the guidance that we produced in the summer. We issued that for consultation in draft form very early in the development of our design for the OIM. We are very keen to understand where businesses might be coming from and what would be helpful to them. One of the things that had already been identified that we needed to do was to provide an easily accessible platform for businesses and business organisations to come to the OIM with issues that they were experiencing. We now have that online web platform. We are working with the business organisations to expand awareness of it and to direct people.

As Jonathan Scott said, we have sent messages and emails out to people who have attended our various engagement events to encourage them to come forward with issues, but it is also just about being wise, tapping into news and information and things that the Parliament is doing and the sessions that you have been doing. We have been following those very carefully to try to understand and test how much familiarity there is with our work, but also to identify the best way of engaging.

Looking forward, we want to plug into those sectors that are most relevant. As we develop our understanding of what the evidence is telling us—we are running a business survey, for example, to inform our first report—I think that that will help us identify what the need is and what the best sorts of engagement will be. Clearly, if there are ways in which we can tap into existing fora or any ways in which parliamentarians can put us in touch with relevant sectors and business leads, we would be very keen on that.

**Mark Ruskell:** I was watching the little video that introduces the role, which is useful particularly for consumers and others. You talk in that video about the health of the internal market. What do you define that as? What are the top health indicators?

**Sheila Scobie:** That is a very good question. It is something that we have been working on very closely with the analytical experts in the Government, but we have also been working with the Fraser of Allander Institute, other academics and the Office for National Statistics to help us understand what the right measures would be for defining what the health of the internal market would be. In effect, we are looking to ensure that trade is effective across different parts of the UK and to identify any subsequent issues that barriers to trade might create for competition, innovation

and perhaps investment, leading into what effects there might be for consumers in terms of prices and choice. Those are the sorts of things that we are very familiar with tracking as an organisation. We probably do it at quite a macro level at the moment, but we have experience of dipping into sectors and getting a sense of what is going on.

We have the expertise. I would say that we are still working on defining exactly what that evidence base will be, and we are looking for support from others who are expert in what is quite a new and novel policy area, because we have not had much history of tracking the effectiveness of trade between different parts of the UK. We do that quite effectively in the international context, but we are very keen to build up our expertise and become a centre of excellence.

**Mark Ruskell:** Finally, where do you see regulation in terms of driving the innovation that can create a healthy market? Clearly, as regulatory innovation comes in, business and industry have to think about how they adapt to that and that can create a lot of economic growth and innovation. Essentially it is about creating a level playing field, but it is also about how you ensure that there is a space there for innovative regulation to drive that innovative market.

**Sheila Scobie:** Definitely with our CMA hats on, we very much recognise that, and that resonates with a lot of the other work that the CMA does in looking into markets. If you look at some of the work that we have done on things such as heat networks, you will see that we have been very proactive at encouraging Governments to think about how they can design those markets effectively.

From an OIM perspective, it is not really for us to make decisions about what the most effective means is of designing policy and regulation. We can certainly assist with helping Governments understand what the potential effects would be and we can maybe make suggestions as to how they can best design policies that deliver those wider public benefits, bearing in mind those economic effects that I have mentioned we are particularly expert in, but we are not there to provide the expertise on those wider public benefits. That is very much for Government to put into the mix.

**Sarah Boyack:** I was very interested in the paper that was submitted in advance of today's meeting, particularly where the request was made for our views as a committee. For me, the issue is how you assist parliamentary scrutiny and support us in that, because there are big issues for stakeholders and businesses with the transparency impact on markets, as has been mentioned. Where there is a strong desire to raise standards and support innovation on issues such

as animal welfare and food quality in response to consumer demands, or maybe to set higher standards in order to meet climate change targets, particularly in the light of COP26 and the UK's leadership on that, what kind of advice would you give and what transparency would you be able to support to enable us to do our work in terms of looking at regulations and Government policies on those sorts of issues? I am not sure who that is best directed to, so maybe the witnesses could volunteer.

**The Convener:** If we go to Jonathan Scott, I am sure that he will nominate someone.

**Jonathan Scott:** I will let Rachel Merelie take that one, if I may.

**Rachel Merelie:** I am happy to pick that up. As Sheila Scobie was explaining, the expertise that we bring is to look at the economic impacts of any regulatory provisions. We are trying to gather data and assess the technical and economic impacts of any proposed provisions, whether they are in climate change or animal welfare or any other space, at the request of national authorities. It is important to say that those wider policy decisions are very much decisions for the Parliaments and the Governments and we are very happy, as Sheila said, to assist on the technical front, but we would not presume to do the kind of balancing act of the wider political and policy considerations and those more technical assessments.

You asked about transparency, and I probably should have picked this up more in my first response. We are wholly committed to being transparent. It is very important to us. I think that the CMA as a whole has a commitment to transparency. We publish a lot of reports and details of the work that we carry out, and that same commitment to transparency is something that we carry across into the OIM. I think that the convener may have been asking previously about the transparency that we might be able to give on early pieces of advice. This is where we are working very closely with the Governments on what they want, because the only area where we are not required to be transparent is for what are termed our section 34 pieces of advice, which are about regulatory provisions before they are passed or made.

10:30

Our ambition is to be transparent as possible, but there may be occasions where we are asked to comment on something that is not yet in the public domain. There we need to be quite careful. I think that Governments would want to have some protection and we would discuss with them what was appropriate case by case. I hope that that starts to answer your question, Ms Boyack.

**Sarah Boyack:** On one level it does. I will follow it up. I was thinking about the publication of advice to different Governments. One of the things that has been apparent in devolution is that the Governments are watching each other. There is what you could call different best practice or different standards. To what extent is there scope for cross-UK sharing of knowledge and information about markets? Are you up for doing that and publishing your advice to different Governments?

**Rachel Merelie:** Yes, very much so. Our default setting, if you like, is to publish our advice. As I say, we need to work closely with Governments to make sure that we are not putting something in the public domain too early, but in general we are very much committed to sharing and are working closely with all four Governments to try to establish our ways of working. It is important to say that these are very early days for us, and we have not yet had a request for advice. Although we have been talking about these things theoretically, it will be when we have to start dealing with requests that some of these issues will really come to light and we will be able to push on the transparency side, as you suggest.

**Sarah Boyack:** From our experience and the discussions that we have had on internal markets and frameworks, it seems that there is a huge appetite from the business community and stakeholders to have advance sight of things—if people are to adapt to change, they are after as much information and as much of a heads-up as possible. That commitment to transparency, even in Government advice, is something that we would be very keen to see.

**Rachel Merelie:** Excellent. Thank you.

**The Convener:** I will ask a supplementary on that, which follows on from my introductory question. If advice was given to the UK Government or the Welsh Assembly, for instance, would the other Governments be made aware of that if it is not in the public domain? Would all Governments be informed of advice that had been given, and when and where it was given?

**Rachel Merelie:** Thank you, convener, for following up. These are issues that we are working through as we talk. As I say, our default is very much to share with all four Governments. That is what we aim to do, but there may be specific cases where that is difficult to achieve, so we will have to look at that case by case.

**Jenni Minto:** I would like to return to the questions that Mr Ruskell asked about engagement. I note that you have done an initial stakeholder survey. What key learnings came from that? I noticed that there was mention of being even-handed. Could you expand a bit on that statement, please? That is for Mr Scott.

**Jonathan Scott:** Forgive me—I was not sure that you wished to come to me. I will let Sheila Scobie deal with the detail, but I will say a word or two on even-handedness. The point is so fundamental.

I will go back a stage. The CMA is an independent, non-governmental—sorry; I always get my terminology wrong. The CMA is an independent, non-ministerial Government department. We are independent. That is absolutely at the heart of all the work that we do, whether on mergers, markets or consumers. For me as chair, questions of even-handedness and independence in the OIM carry a very real risk of contagion across to what we do in all our work. Even-handedness and independence have to be absolutely front and centre of what we do, what we are seen to do and what we are perceived to do. That is why we recommended to Government that we went with our proposed structure, which involves the OIM being housed within the CMA, but also the panel system. We will come back to that, but that is a further guarantee, I hope, of independence and even-handedness.

On the survey results, I will let Sheila Scobie take that.

**Sheila Scobie:** Certainly. The business survey that we ran through the autumn is not yet complete. We are still waiting for the final results and will want to have a look at those, do a bit of analysis and present them in the most effective way. We are intending to do that as part of our report in the spring, which will be published and made available. That is where that is.

On even-handedness, I will go a little bit further into the detail. There is a requirement in the legislation for us to act in an even-handed way. As Jonathan Scott said, we take that very seriously, almost going beyond what we might normally do within the CMA. Some of the work that we do is discretionary, so we have a choice to make as to which projects we take up. It may be that we will embed that notion of even-handedness in deciding which projects and reports we should fulfil.

On the analysis and the use of evidence, it is sometimes difficult to get comparative data across the different nations of the UK, as you will probably be aware. We are intent on improving the evidence space, on the basis that that will mean that we can make evidence-based decisions and reach conclusions that do not reflect what some people have described as asymmetry between different parts of the UK. We will be very focused on trying to get that right.

We will also be even-handed in the way that we communicate and engage with each of the four Administrations, making sure that we share information on an equal basis, that we deal with

things on an equitable basis, and that, as we said earlier, in our ways of working, we work collectively and do not have a conversation with one Government that we do not have with all four.

We have learnt quite a bit from the way the common frameworks programme has been developed on the basis of trying to work on the same collaborative basis with all four Administrations.

**Jenni Minto:** I was struck when you said—and I do not mean to misquote you—something along the lines of there not being much evidence gathered with regard to the levels of trade between the UK countries as things stand now. What is the baseline that we will compare to? Does that make sense?

**Sheila Scobie:** We have reasonably good trade statistics for Scotland, Wales and Northern Ireland, as you might expect. What we have less of are the trade statistics for England as a unit in itself. We are working very closely with the Office for National Statistics on that because it has been identified as something that all Governments would definitely find useful, post-Brexit. I understand that there is a programme of activity to improve that information. We are certainly involved in that discussion, as are analysts from all the other Administrations. It is quite important that we can get that information at a macro level, but also down to the sectoral level.

When we did our consultation back in the summer, people flagged that as a challenge for us as a new institution. That is why we have prioritised the business survey and are working so closely with other analytical bodies. It is a first step. Over time we expect to use the data to help us track what is happening and identify whether particular effects are being seen, to allow us to dig into those a bit more to see what particular policy interventions may be used.

**Jenni Minto:** This question may be a bit specific. At our previous meeting, we took evidence about the possible impact of the Subsidy Control Bill on agricultural policy in Scotland. Do such things fall into your remit? How will you work with legislation that may be brought in that impacts the internal market?

**Sheila Scobie:** If Jonathan Scott is happy, I will cover that question. It is a very relevant question to ask while the Subsidy Control Bill is going through the Westminster Parliament.

We are very mindful that the CMA has a role in giving subsidy advice. That will be done by a separate unit within the CMA, which we are starting to design and shape. It is probably too early for us to give any detail on how the two bits of legislation interact. They are two separate pieces of legislation coming from different places,

as it were, but we see the potential synergies, and I guess that there are potential risks and opportunities.

The internal market act set out no specific role for the OIM to look at subsidies. We are not expecting to do that as part of our normal business.

**Jenni Minto:** I have a final question. I am interested to find out what matrices you will use to check whether the UK internal market is working well, efficiently or effectively. Clearly, there are economic and business matrices, but there are also matrices for wellbeing and health. Again, there are concerns about a devolved Government wishing to bring in a specific policy because of a specific issue in its area of competence. Minimum unit pricing for alcohol is an example.

**Sheila Scobie:** As Rachel Merelie has said, we are very much focused on the economic analysis. Our findings will be based on our understanding of the effects on how trade is working, and the subsequent potential effects on competition, access to markets and consumer choice. That will be our focus, but we acknowledge that there are wider issues in relation to health and environmental objectives. Those are for Governments to consider in the round, alongside any advice that we give.

On health and the internal market, we will be focusing on the economic technical issues and not attempting to go beyond the remit that has been envisaged for us and our expertise. We are mindful of the need to make sure that that is very clear when we do our reports, so that people do not reach the conclusion that there is a problem in the holistic understanding of how the four nations are working together. Our focus is really on the economic issues and not the broader wellbeing issues, as you have described them.

**Maurice Golden:** I will start with Sheila Scobie and then move to the rest of the panel to see whether there are other views. The stated position of the Scottish Government with regard to the UK Withdrawal from the European Union (Continuity) (Scotland) Bill is to align with new EU laws as they are introduced. If exercised, that could lead to divergence in regulations and create distortions in the UK internal market. Are you concerned about the potential impact of the continuity bill?

10:45

**Sheila Scobie:** It is very important to be clear that we are quite a technocratic organisation and our role is primarily to advise Governments on the effects of particular regulatory divergence on the internal market. We do not have a role in judging what is appropriate for Governments to do in terms of regulatory divergence. We note that—and

we think that this remains the policy of all four Governments—there is an intention to reach agreement through the common frameworks programme that would allow harmonisation or divergence, depending on what Governments have agreed. That appears to be the appropriate mechanism that Governments have put in place. Our role is to support Governments, if necessary, with that common frameworks discussion or with any matter that does not fall within the programme. However, we are not there to reach judgments or decisions.

**Maurice Golden:** Jonathan Scott, do you have any comments?

**Jonathan Scott:** I have one comment. One of the things that we can do—we do it already—is shine a light to make sure that facts are collected together, analysed and assessed, which goes back to the transparency point. The divergence issue is clearly one that the four nations will have to grapple with. We can only describe what is happening on the ground and what the effect, or the likely effect, is. However, those are political decisions. I would not want you to be in any doubt that we are very conscious of the sensitivity of the role that we have been given; we are also very conscious that we must not step beyond our remit.

**The Convener:** Mr Scott, I will ask a supplementary on that. You said that it is something that the four nations would need to come to an agreement on. The Northern Ireland protocol means that Northern Ireland will stay in step with European regulations and European law. It is a stated wish of the Scottish and the Welsh Governments to implement European law going forward—we call it the keeping pace power in Scotland. Can the UK Government override the wishes of the three other Governments in an area where there is a problem in reaching agreement? What happens when there is stalemate and maybe there are three to one against in implementing European law or a European regulation?

**Jonathan Scott:** I will let Rachel Merelie answer on the technicality of that, but you have clearly identified an issue that we are going to have to grapple with. Our role is to report, which potentially takes us into the common frameworks area, where I think that there has now been real progress. However, there will clearly be other areas.

Rachel, perhaps you would like to elaborate a little.

**Rachel Merelie:** We cover the issue in our written submission. I think that it is clear that the Northern Ireland protocol and the regulatory provisions to implement it are outside our remit as the office for the internal market. You are

absolutely right that there could be divergence, where Northern Ireland implements provisions that allow it to stay in line with the EU, and the rest of Great Britain chooses, or individual nations in GB choose, to diverge from that. We are likely to be able to look at that if we are requested to do so, but obviously only in the goods area, because the Northern Ireland protocol only applies to goods.

We recognise the challenges associated with the Northern Ireland protocol. As I say, we are not able to look at it directly, but it is a very important factual context that we will take into consideration. To the extent that there is divergence as a result of Northern Ireland choosing to stay, or having to stay, aligned, we may be able to look at that in terms of the impact on the UK internal market.

**Dr Allan:** This question is directed to Rachel Merelie. I appreciate that you are not a political body and are not making political decisions, so please do not think that I am in any way holding you accountable for this, but how are you, as a body, going to navigate the reality that you are implementing an act that does not enjoy overall political support in Scotland?

**Rachel Merelie:** [*Inaudible.*]—question. As, I think, my colleagues have already said, we are very conscious of the political sensitivities and the environment in which we are operating. We have had very constructive conversations at official level across the four nations, and we are working to complete the task and implement the functions that we have been given by the UK Government.

One of the ways in which we progress is by being as factual and evidence based as we can be. We have information-gathering powers that support us if we need them, but we have, so far, found all four nations to be comfortable in sharing information with us. That has particularly been on the analytical side, as we were talking about before. It is our first state of the internal market report that we are putting together at the moment.

We just need to continue doing the job that we have been given to do in a relatively technical and straightforward manner. Nevertheless, as you say, the political context is important and we are certainly not blind to it.

**Dr Allan:** My next question is for Sheila Scobie. Jenni Minto asked about various examples of the kind of things that might come before you for a decision or for you to produce advice and factual information on. You mentioned the concept of a barrier to trade. As Jenni Minto pointed out, that is a contentious concept in a number of areas, not least around the control of alcohol pricing. Quite accurately, you mentioned that all you can do is provide factual advice—it is then up to ministers to make a political decision. Have you any picture of what context or what process UK ministers would

use to reach such a decision? Do you have a clear picture of how that process would work at their end?

**Sheila Scobie:** That is a really good question, and it is one that we have been asking Government officials, because it is an important part of the jigsaw.

There is a legislative requirement for Governments to produce regulatory impact assessments, which are an obvious tool or mechanism. In Scotland, there is the BRIA. We are increasingly seeing those being used very effectively to set out what the economic effects could be on things like competition and on consumers, which I think has been a really positive development in Scotland in the past few years.

You can imagine that, if a Government has approached us and sought advice from us on a particular aspect of a regulation or a policy that it fears might have some effect on the internal market, it could then reflect that in the BRIA and present it to Parliament for your scrutiny. That is one option. The other thing is that the UKIM act allows an opportunity for an authority—a Government—to seek to fulfil the role of the OIM by using an alternative body. There is an option for Governments to take advice from many different places. It may be that there is a particular regulator already within a sector that has a good amount of information on cross-border effects or on effects on trade or on competition, and it might be appropriate for that regulator to deliver advice or for us to work collectively. We have not explored that in depth, but we are very open to suggestions as to how to make it work effectively, because the key aim of the OIM's role is clearly to support Governments rather than to get in the way of any work that they are trying to do.

**Jonathan Scott:** I just want to acknowledge Dr Allan's question, because that is something we are acutely aware of. For an unelected body, it is something that carries risk, not just in our carrying out the function but more generally. That is why I am delighted that we are here today, having this dialogue. I think that that is also reflected in the fact that we have sought to allocate some of our most senior resource within the organisation to it. I hope that the fact that I am here today, as the chairman, is an acknowledgment of that sensitivity.

We are going to have to play it as it develops, but you can rest assured that the issue that you have raised—and, more generally, the risk to us as an organisation that sits between the four nations—is something that the board is very alive and alert to. I hope that you will take some comfort, not just from the resource that we have allocated, that this activity is not going to just sit all

on its own but will have the full support of the organisation as it needs it. So, Rachel Merelie, who is leading the team, can draw in from the wider skills of the organisation.

**Dr Allan:** Thank you. I am very grateful for that answer.

I have a final, brief question for Ms Merelie. I think that it was you who mentioned the on-going factual context of the particular situation in Northern Ireland. I appreciate that it is not the same situation as Scotland's, but, if there is an on-going policy intention in Scotland, which appears to be becoming consistent, of keeping pace with European requirements, is there also a factual context that is building up around Scotland that has to be borne in mind?

**Rachel Merelie:** Yes. I suppose that it is more likely that there would be examples of regulatory divergence in Scotland if England and Wales did not choose to follow that path. That is something we will take as it arrives. You are absolutely right in saying that it is important for us to be aware of that.

**Mark Ruskell:** I have a brief follow-up question for the OIM. I am thinking about the common frameworks that have been established—there is one, for example, around waste and the circular economy. Some regulations are in place already—regulations that, in effect, made the cut and are emerging, such as deposit return schemes—and new regulations are coming forward that will come more fully into the remit of post-Brexit consideration of EU alignment or otherwise. How do you work with those? Is there, in effect, a firewall? You would not consider the deposit return scheme, for example, because that existed previously, although regulations can be updated over time. However, the common frameworks span all three areas and I am interested in where you draw the line, because some of them have contexts that affect each other.

**Rachel Merelie:** I am sorry, but I am not sure who was being asked to comment on that. I am very happy to kick off, but I might hand over to Sheila Scobie for any further detail.

**Mark Ruskell:** I am sorry—it was not a brief question at all.

**Rachel Merelie:** It is a good question. We have been working very closely with colleagues on the common frameworks side. We understand the importance of common frameworks and we want to make sure that our role adds to the role of the common frameworks rather than cuts across it in any sense.

I think that your specific question around the timing is an important one. We look at regulatory provisions only post-transition, so things that

already existed pre-transition would not be relevant regulatory provisions for us to consider. As they get amended or changed through any kind of process, either legislative or otherwise, they might then come into our scope and our remit.

Sheila, do you want to add anything on the specifics of those examples?

**Sheila Scobie:** I do not think so. You have pretty much covered what I would have said.

11:00

**Mark Ruskell:** Specifically on the deposit return scheme, if that scheme was amended, would it come within the scope of your remit?

**Rachel Merelie:** Yes, to the extent that that was done through a new regulatory provision or a legislative amendment, it would come into that scope. In general, we have to look very carefully at the scope, because there are various exclusions and all sorts of things that need to be assessed on an individual basis. However, broadly speaking, if it is a new regulatory provision, that is something we would certainly consider.

**Donald Cameron:** I was going to ask questions about the protocol and the common frameworks, but most of those questions have been answered. I note, just as a final observation, that there is a clear tension between the internal market act and common frameworks. Do any of the witnesses have any observations to make on how they might manage that tension? That is a rather broad and general question to finish on, for whoever wants to answer it.

**Rachel Merelie:** We are very aware of the common frameworks process. Indeed, when we took on our functions, the nations were keen to come and tell us about the common frameworks. We understand that they are a collaborative way of reaching agreement on potential regulatory divergence or potential regulatory alignment.

It is important to say that it is early days even for the common frameworks process, let alone for the office for the internal market. We are keen to assist, where we can, with any issues associated with common frameworks and potential exclusions from the UKIM act, for which I know a process has now been articulated by the UK Government and agreed by the four nations. Where we can provide any assistance, we are happy to do so. It is something that we are working on actively at the moment with our colleagues across the four nations. As I say, it is still quite early in the process to articulate exactly how we can best help.

**The Convener:** I think that that is the last of the questions from the committee. I suspect that this has been an introductory session with you. The

subject area is going to be of interest to the committee as the situation develops and as you start to finalise some of the areas that are in development at the moment. I thank Mr Scott, Ms Merelie and Ms Scobie for their attendance at the committee this morning.

*Meeting closed at 11:04.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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