

International Development



SCOTTISH EXECUTIVE INTERNATIONAL DEVELOPMENT POLICY

This paper sets out the key elements of the Scottish Executive *international development policy*.

1. Background

Scottish Ministers have already made several commitments to institute a policy on International Development¹. These commitments all make reference to Scotland looking outward, helping NGOs active in international programmes, and encouraging and supporting the work of Scots in making their contribution to international development.

This policy is set firmly in the context of the Executive's *International Strategy*² with its strong outward focus. The *International Strategy* is primarily concerned with the benefits that can accrue to Scotland - politically, culturally or economically - from establishing strong international relationships. Focusing on the importance of active participation in international (especially EU) institutions, it emphasises the need to promote better understanding and a more positive and contemporary image of Scotland in order to support our trade, tourism and Fresh Talent objectives.

This aim is complemented by a perspective on outward focus that promotes the positive contribution that Scotland can make to the world, and in particular to developing countries. It builds on Scotland's long-standing and historic role of looking beyond its borders to both gather and exchange knowledge, and it acknowledges Scotland's collective efforts and aspiration - as a prosperous nation - to play its part in tackling global inequality. It builds upon the existing good work of Scottish Non-Government Organisations (NGOs), academic institutions and other public bodies already active in international development, and strives to nurture this capacity.

1.1 UK Policy Context

Although international development is a reserved issue under the Scotland Act, it is open to the Scottish Executive to play a role within the international community, where the work is complimentary to the work of DfID and other UK agencies, and is considered to be "assisting Ministers of the Crown in relation to foreign affairs". There will be continuing close collaboration at both Ministerial and official levels to achieve consistency with UK government policy.

In recent years, UK Government policy has moved significantly towards the UN target (set in 1997) of redirecting 0.7% of GDP towards international aid, with the first ever commitment to the target in SR2004. The UK programme is itself rooted in the wider objectives of the international community and we would wish to set Scottish efforts in this context. In particular, the eight Millennium Development Goals (MDGs), agreed at the United Nations Millennium Summit in September 2000, and developed explicitly to provide a focus for the international effort, provide the basis for selecting priorities.

¹ The Partnership Agreement; the First Minister's speech at the World Summit on Sustainable Development in Johannesburg in 2002; and Scottish Executive International Strategy; the First Minister's speech on 7 October.

² Scottish Executive International Strategy Scottish Executive, October 2004.

<http://www.scottishexecutive.gov.uk/library5/government/seis04.pdf>

1.2 Funding

The Spending Review allocation for international development is £3m/£3m from 2006/07; however funding of £3 million has also been made available for 2005/06.

2. International Development Framework

2.1 Key Principles

A number of key principles inform this policy which is intended to:

- contribute to the achievement of the Millennium Development Goals and the elimination of world poverty;
- complement UK government international development policy;
- Provide, through Ministers, an opportunity to reflect the international development concerns of Scots, including our role in international crises;
- engage Scottish people in international development issues, and promote an outward looking focus;
- focus on Scotland's key strengths and values, facilitating transfer of Scottish knowledge, skills and expertise to where they are needed most in the world, and promoting the exchange of knowledge ;
- build on existing links between Scotland and developing countries;
- provide a management structure for targeting the annual budget.

The proposed programme for International Development comprises 3 strands. These will develop through on-going dialogue with relevant stakeholders, but in the first instance will focus on:

(A) Support for developing countries, especially through the development of NGOs

This will assist the two-way exchange of knowledge and expertise between Scotland and developing countries. Assistance will be targeted through the broad-based development of NGOs and other public bodies. Specific development programmes will have a geographic and thematic focus, with an emphasis on knowledge transfer to maximise the impact of the policy by building on unique Scottish strengths. Capital investment projects and funding of long term revenue expenditure are not within the scope of the policy.

(B) Assistance during times of international crises

This will help those who take a lead in mobilising Scotland's response at times of international crises (which are defined by DfID).. Assistance will be aimed at stimulating fund raising through established channels. Emergency services such as rescue operations will not be part of this activity; however, the Executive will endeavour to improve the co-ordination of the Scottish contribution to relief efforts, which will continue to be delivered through existing procedures.

(C) Active consideration of the positive impact of our policies on the developing world

Appropriate messages should reach as much of the Scottish population as possible and provide a level of awareness of the problems faced by developing countries, and what Scotland can do to make a difference. For example, in the content of the school curriculum, in our procurement policies and in the way we encourage corporate responsibility within business.

2.2 Consultation

We have identified a range of internal and external stakeholders:

<u>Executive Department</u>	<u>Activity</u>
Education	Teachers International exchange programme Continuous Professional Development Teacher Interchange Global Schools Partnership Sharing expertise in running an education system – support and advice from senior officials.
Health	AIDS/HIV policy - VSO medical staff initiative
ETLLD	Higher Education Science/ Research
FCSD	Procurement

EXTERNAL STAKEHOLDERS	
Category	
UK Government	Including the Foreign and Commonwealth Office (FCO), Department for International Development (DfID)
NGOs	Scottish based international aid agencies NIDOS represents many, but not all of the agencies
Other Public Bodies	Includes Local Authorities, Health Boards, educational institutions, from primary schools to universities.
Academic	Universities, FE colleges etc.
Business and other private parties	Varied support from Scottish business; Hunter Foundation etc.
Scottish Parliament	Cross-Party Parliamentary Working Group on International Development

Between November 2004 and January 2005, meetings with a range of key Executive and external stakeholders have taken place, in addition to an informal consultation of NIDOS members.

We would wish to continue to work closely with the Scottish Executive and external stakeholder groups. This will include:

- close collaboration at Ministerial and official level with UK government, especially DfID
- regular contact with NGOs and other public bodies with an interest in international development, facilitated by NIDOS and other networking organisations;
- engagement with academics, including sponsoring of seminars and conferences;
- engagement with the business community
- developing links with the Parliament and the established cross-party working group.

3. Scope of Activity

The proposed range of activity for each of the 3 strands is described below.

(A) Support for developing countries especially through development of NGOs

(1) General NGO Capacity Building

There are a relatively large number of bodies with an interest in International Development; however, there is a lack of corporate capability to effectively represent and promote this constituency. NIDOS is effective in terms of the extent of its membership, but lacks the resource to provide a voice and focus for international development in Scotland.

NGOs which have an interest and are not currently part of NIDOS have indicated their willingness to be members if this assists in having one overall representative body.

The Executive proposes to fund the establishment and running costs of an administrative resource within NIDOS for the benefit of all NGOs involved in international development. This would provide support in areas such as HR, Finance, legal matters, bid and project management.

There is also a requirement for supporting smaller NGOs by providing access to specific skills and knowledge required for research and to bid for and win projects/funds.

(2) Specific development programmes

These programmes will have specific objectives and outcomes and will need to be of a significant size and duration in order to have effective and sustainable outcomes. It is envisaged that this sub-stream will constitute most of the funding. However, a small amount of the fund will be reserved for 'seed funding' to enable all NGOs to benefit from the fund.

We consider that this aspect of the policy requires a geographic and thematic priority.

2.1 Options for Geographic Priorities

We have considered 3 options for geographic priority. These include:

- (i) No geographic priority – supporting projects in any developing country
- (ii) Focus on Sub-Saharan Africa
- (iii) Focus on Sub-Saharan Africa and areas affected by the Asian Tsunami

(i) *Supporting projects in any developing country* – Scottish NGOs are currently working throughout the developing world with most working in only a few countries. A Scottish Executive fund with a world-wide remit would give all Scottish charities the opportunity to benefit from the funding and provide maximum flexibility in terms of matching Scottish skills to need in the developing world. However, given the

limited funding available, projects would inevitably be spread very thinly across the developing world.

(ii) *Focus on Sub-Saharan Africa* – given the size of the fund, especially in relation to the scale of the problems in developing countries, it is arguably more appropriate to focus our efforts on a particular region. This focus is consistent with UK policy, and the priority given to this region through the Commission for Africa. Within sub-Saharan Africa we will want to initially give a particular focus to Malawi, a country which has historical links and existing relationships with Scotland

(iii) *Focus on Sub-Saharan Africa and areas affected by the Asian Tsunami* – although including the Asian region will dilute the impact of the fund, it would support other work already on-going to fulfil commitments made to underwrite the cost of sending Scottish professionals to support the international aid effort.

We consider that the geographic priority should be Sub-Saharan Africa. However, given that it will take time to build capacity in Scotland to deliver projects in this region, and given the immediate and pressing needs of Scottish aid agencies responding to the Tsunami, we consider that the region affected by the disaster should also be given priority over the next 3 years.

2.2 Options for Thematic Priorities

The chosen priorities should contribute to the universally-acknowledged needs identified by the Millennium Development Goals. We would want to focus on areas where we have some capability already in place, and where additional funding could make a real difference. We want projects which will deliver sustainable benefits.

We consider the options for thematic priority are:

- education;
- health, including water;
- health with a special emphasis on HIV/AIDs prevention/treatment;
- civil society development.

These support a number of the Millennium Development Goals, but are particularly relevant to the following:

- ❖ Achieve universal primary education
- ❖ Reduce child mortality
- ❖ Improve maternal health
- ❖ Combat HIV and AIDS, malaria and other diseases
- ❖ Develop a global partnership for development

Given the scale of the HIV/AIDs epidemic, especially in Sub-Saharan Africa, the stress on the already basic health service provision, and the value of education in helping communities lift themselves out of poverty, we consider these themes would meet extreme need. There is considerable expertise in all of these areas within Scotland.

This thematic focus would facilitate sustained action over a number of years, thereby constituting best development practice.

2.3 Fund Allocation

We propose two methods of allocating funding. A proportion of the fund will be allocated to key NGO partners and other public bodies, such as Health Boards. We would look to work in partnership with organisations with a proven track record and the capacity to deliver on the agreed thematic and geographic objectives.

A proportion of the fund will be allocated to Scottish international aid organisations and other not for profit organisations using a simple grant application procedure.

(B) Assistance during times of international crises

This strand includes

- 1) funding raising
- 2) fund distribution
- 3) emergency response

(1) Fund raising

Scottish Ministers commissioned a report in 2003, which was carried out by NIDOS. This recognised that there was scope to increase fund raising activity in Scotland, but that any increased efforts should complement the activities of the Disasters Emergency Committee (DEC) at a UK level. Fund raising in Scotland can be particularly effective where it resonates with Scottish values of assisting others within the wider community. A good recent example was the campaign in Summer 2004 concerning Darfur which had a Scottish ‘flavour’, using local actors in publicity material. This increased the amount raised for the appeal.

In the wake of the Tsunami disaster, the Scottish Executive stepped up its efforts to assist Scottish based international aid agencies. We seconded 11 Scottish Executive staff to meet an urgent need for administrative assistance to process donations at the British Red Cross, SCIAF and Mercy Corps. We also co-ordinated advertisements for the Scottish Emergency Appeal, which appeared in a range of Scottish papers.

A working group comprising officials and representatives of international aid agencies has been formed to consider lessons learnt from responding to the crisis.

Areas to be considered include:

- What constitutes a crisis, and how can Scottish Executive effort complement DfID response;
- Facilitating better networking, communications/information flows in time of crisis.
- Mechanisms to better support NGOs, possibly through increasing the capacity of NIDOS (for example, the proposed additional policy officer, and/or a dedicated press officer may meet this requirement)
- involvement of Ministers to support fund raising activities.

(2) Fund distribution

Funds raised through DEC are allocated to the 15 largest charities by pre-defined percentage shares. Some of the charities based in Scotland, such as SCIAF and Mercy Corp are not members of DEC and do not receive any funding.

There is a facility for smaller charities to 'twin' with DEC members, but this is not used to any great extent. Further work is required to identify whether some of these funds can be allocated to Scottish NGOs.

(3) Emergency Response - Support 'on the ground'

This is co-ordinated through DEC on the basis that the only the largest NGOs have the capacity and coverage to deal with large-scale crisis situations.

Similarly, existing global and UK bodies co-ordinate emergency services. The Scottish Executive has links with these bodies and works in partnership to help co-ordinate the Scottish effort. The Deputy Chief Medical Officer's team, for example, collates Scottish offers of specialist medical help to the World Health Organisation (WHO), including the option to second Scottish Executive specialist medical personnel.

In any given crisis, there may be opportunities for Scotland to contribute to the international aid effort where it has the specific skills required. The First Minister has already undertaken to underwrite the cost of sending much-needed professional help to the areas affected by the tsunami.

There is also scope for supporting the development of humanitarian skills and knowledge in Scotland, so that we are better placed to respond in times of crisis.

(C) Active consideration of the positive impact of our policies on the developing world

This policy strand aims to both raise awareness of international development issues amongst children and the wider population, as well as ensuring that Scottish Executive policy is generally consistent with international development aims.

A number of events and conferences are planned in the lead up to G8, and there is a significant opportunity in 2005 to sponsor and/or organise events such as an Africa Commission debate with NGOs.

There is a good case for allocating some of the funding available for 2005/06 to supporting events which will raise awareness of the problems in the developing world (especially sub-Saharan Africa) and how the people of Scotland can provide assistance.

For the years beyond 2005, it may be desirable to arrange one major conference per year on a suitable topic, and also to provide some level of support for other events.

Schools

The curriculum already provides pupils with opportunities to learn about international development. We would look to work with schools, and support the on-going efforts of DFID, to both raise awareness and build knowledge of the issues amongst Scottish pupils.

There are many individual projects already in place which provide support from Scottish schools to schools in the developing worlds, and enable the schools to learn more about each other. These including school twinning projects and teacher exchanges. There could be benefits from providing some level of central support and coordination for such projects. This requires further investigation.

There is also a recognition that projects that contribute to the knowledge and understanding of teachers potentially have wide ranging and sustainable benefits, which are passed on to a large number of pupils over the years.

Business

Scottish Ministers would urge all Scots people and businesses to support and celebrate the activities of Scottish businesses and businesspeople in furthering international development. Their contribution has been crucial to what has so far been achieved and their continued support will be essential to future progress. Scottish Ministers would also encourage all Scots people and businesses to consider the benefits of fair and ethical trade and products. They support the aim of showing sensitivity and flexibility to allow developing countries to progress at a rate that allows for simultaneous development of their social and economic infrastructure. They also value the work of the Hunter Foundation and others in business in working in partnership to assist developing countries.

Other Issues

As the policy develops we would hope to broaden our target groups to include adults, community groups, business etc. Further consideration will be given to this.

Given the range of the devolved Scottish government's responsibilities and its wide-ranging impact, further consideration also will be given to selecting a full range of relevant policy areas, for example, sustainable development etc.

4. Management

4.1 Objectives

The management objectives can be summarised as follows:

- to function in a manner which is consistent with assisting UK International Development work;
- to allow Ministers to have control over the focus and direction of activity;
- to make the most of the skills, knowledge and goodwill available in Scotland;
- to minimise administrative costs;
- to ensure the delivery of significant sustainable benefits in the chosen areas of operation;
- to put in place appropriate evaluation and monitoring frameworks.

The proposed outline management system provides the optimum means of achieving the above objectives.

4.2 Funding allocations

The Executive will allocate overall budgetary limits to the three policy streams. A proposed percentage share for the £3 million annual funding will be as follows:

Support for developing countries through NGOs - General NGO capacity building Support for generating additional funding Specific development programmes	up to 90 %
Assistance during times of international crises –	up to 10 %
Active consideration the positive impact of our policies –	up to 10 %

Within these allocations, a maximum of 5% of the total budget will be assigned to activities that promote our knowledge and understanding of international development issues, or the development of other knowledge, including R&D which can be used to improve the lives of poor people in developing countries. This funding could be used to contribute to the work of any of the three policy streams, and might include activities such as supporting research centres, scholarships for UK scholars etc.

Focus for 1st year - Funding is available from FY 2005/06. Selected development programmes may not be initiated or fully operational at the start of the financial year. Therefore, in the first year, we will allocate a larger amount of funding to raising awareness via support for seminars, conferences etc. 2005 has a special significance

for international development issues and Africa in particular, given the focus of the G8 summit in July, and the programme of other major events taking place in Scotland.

4.3 Expert advice

Scottish Ministers propose to appoint an Advisory Group to provide expert guidance on the:

- general focus and direction of the schemes;
- the levels of spend across each category;
- suggestions for appropriate development programmes;
- the levels of spend against each specific development programme. and to advise Ministers on emerging issues and progress in different areas

The group would meet 2 or 3 times per year. The group would need to be:

- independent;
- knowledgeable of those who might receive Scottish Executive support and experienced in International Development in terms of both domestic and overseas issues.

The group will comprise between 6 and 8 individuals and will include representatives from the following types of groups;

- ◆ retired NGO executives
- ◆ DfID officials
- ◆ Commonwealth organisations
- ◆ Cross Party ID Group
- ◆ Prominent individuals with an interest in, or experience of international development
- ◆ Academics
- ◆ Executives of NGOs not operating in Scotland
- ◆ Executive officials

The group, chaired by the Head of FCSD, would provide recommendations or options for Ministers on strategic matters.

4.4 Programme Management

We envisage a range of demands on this budget –

Costs of administrative staff based in Scotland

- ◆ building capacity in the Scottish NGO sector will create a number of core demands on the budget to meet the costs of administrative staff based in Scotland. This could include boosting the administrative capacity of NIDOS, and its ability to support its members. Additionally a tight geographic focus for the programme spend suggests it would be necessary to increase the capacity of existing organisations delivering in these areas, e.g. the Scotland/Malawi partnership currently exists on the good will of volunteers and has no paid staff.
- ◆ There would be associated costs for accommodation, office equipment etc.

Proposed Funding Mechanism - The Strategic Planning Group will periodically review the overall need for administrative staff and make recommendations to Ministers.

Knowledge Transfer Activities

- ◆ This will include support for specific research centres, as described above, as well as other activities, such as conferences and seminars. The application process will operate as a rolling competition during the course of the first year.

Proposed Funding Mechanism - The Strategic Planning Group will advise on the broad issues that this funding will support and approve the selection criteria.

Specific Development Programmes (Thematic/Geographic priorities)

- ◆ The Executive will seek to work in partnership with those organisations who have a proven track record of delivering international development projects in priority regions and on the specific thematic priorities. In year 2, we will broaden our funding criteria to include organisations with significant development experience, which can be transferred to the specific regions and thematic priority. We will seek to support and nurture the capacity to create a step change in the rate at which projects are delivered.

Proposed Funding Mechanism - The Strategic Planning Group will advise on the broad issues that this funding will support and make recommendations to Ministers.

Ministers would have a clear responsibility for overall governance funding allocation criteria and methods of allocation for all areas of activity, and would delegate appropriate authority to programme managers as required for each category, or within the 'specific development programmes' category, then each individual programme.

Each category of activity would have an appointed programme manager (and also one for each specific development programme). This could be the Executive, NIDOS, or a selected NGO as appropriate. The programme manager would need to have the appropriate status and credentials in order to comply with charity regulations (OSCAR).

The Executive would define the scope and objectives for each programme, and the programme manager would have delegated responsibility for :

- ◆ co-ordinating the activities of all contributors to the programme
- ◆ maintaining records
- ◆ monitoring
- ◆ reporting
- ◆ allocation of funds within the programme

Small Grants Programme

- ◆ The strategic objective of this programme would be to support the broad based activity of Scottish NGOs and thereby increase capacity in the sector. The small grants scheme would need to be administered by another method, to reduce the

burden on the expert panel. One option would be to commission consultants to review small grant proposals.

5. Policy Development and Implementation

5.1 Next steps

Further research and consultation is required into each of the 3 strands of the framework, including:

Support for developing countries through development of NGOs

With regard to generating additional funding, further investigation is required into; what types of scheme are already in place, or could potentially be used to this end; and how much additional funding could potentially be generated. Examples of potential sources of funding are the Carnegie Trust and the Rowntree Foundation.

Assistance during times of international crises

There is a need for more work to be done to consider the feasibility of strengthening the collective capacity in Scotland and to examine how Scottish based organisations could be given wider access to funds raised.

Active consideration the positive impact of our policies on the developing world

This area requires further investigation in terms of scope

March, 2005.

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ISBN 0-7559-1063-X

This document is also available on the Scottish Executive website
www.scotland.gov.uk

Astron B40447 03-05

ISBN 0-7559-1063-X



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