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Ms Eilidh Mactaggart
CEO Scottish National Investment Bank

1 December 2020

Dear Ms Mactaggart,

I am pleased to write to you today to set the strategic missions for the Scottish National Investment Bank, on behalf of Scottish Ministers. As you know the development of the missions has been a critical aspect of the work to establish the Bank and I would like to thank you for your input.

Each of the missions outlined below has been designed in line with the recommendations made within “A Mission-Oriented Framework for the Scottish National Investment Bank”¹. They each speak to the key challenges that Scotland is currently facing.

We have consulted extensively on these missions, including the public consultation earlier this year. That process of consultation made clear that there is strong support for these missions. There is also agreement that they speak to the key challenges facing Scotland.

Each of the missions has been set over a long timescale. This recognises the long-term and persistent nature of the challenges we need to address. Given the Bank’s focus on strategic and patient investment it is also appreciated that returns on the Bank’s investments, whether financial or non-financial, will take time to materialise.

I know you share my view that the Bank must also deliver impact against its missions through its early investments. Indeed I welcomed the comments made the Chair of the Scottish National Investment Bank Willie Watt, to the Economy, Energy and Fair Work Committee rejecting the idea of conflict between benefits under the missions and commercial return.

I am aware that work is ongoing within the Bank to determine how it will report beyond its financial returns to capture its environmental, social and economic impacts. This is of great significance to the Bank’s success and I would encourage you in that work.

¹ https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/mission-oriented-framework-for-snib_final.pdf

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Finally, COVID 19 has had a major impact on Scotland's economy over the last year and will substantially impact the economic landscape within which the Bank will be established. The impacts of COVID-19 underline the need for the Bank and support the adoption of its mission-oriented investment approach. The climate emergency, place-based opportunity and demographic change represent compelling challenges now more than ever. The Bank's long-term, strategic focus offers opportunities to contribute to building a more robust and resilient domestic economy for Scotland.

Please find below the three missions;

Grand Challenge 1: Climate Emergency
Mission 1 (Net Zero Mission): Achieving a Just Transition to net zero carbon emissions by 2045. Invest in rebalancing our economy towards leadership in sustainable technology, services and industries.

Grand Challenge 2: Place-Based Opportunity
Mission 2 (Place Mission): Extending equality of opportunity through improving places by 2040. Invest in places and regeneration to reduce inequality, and improve opportunities and outcomes for people and communities.

Grand Challenge 3: Demographic Change
Mission 3 (People Mission): Harnessing innovation to enable our people to flourish by 2040. Invest in innovation and industries of the future for a healthier, more resilient and productive population.

As you will be aware, the Scottish National Investment Bank Act 2020 requires that the Bank send a response to Scottish Ministers within three months of receiving this letter, explaining how the Bank intends to respond to its strategic missions.

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I look forward to receiving that response, and continuing to work with you going forward.

Kind regards
Fiona Hyslop

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