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Dear Michael,

It was a pleasure to speak with you in September. I enjoyed our wide ranging discussion, and was particularly pleased to outline the Scottish Government's interest in greater cooperation with the Arctic region and learn more about the EU's priorities in this area.

Scotland is the world's northernmost non-Arctic nation and we share many challenges with the Arctic. By working together and exchanging expertise, including at EU-level, we can develop joint solutions that strengthen the resilience and wellbeing of our communities.

As I emphasised in our meeting, in spite of the UK's exit from the EU, Scotland is committed to remaining a positive and progressive partner in EU policy-making and we will continue to offer relevant expertise whenever appropriate. In this spirit, we welcomed the European Commission's consultation on "An Integrated European Union policy for the Arctic" and I am pleased to share with you a copy of our response.

Our contribution draws from the Scottish Government's <u>Arctic policy framework</u> and is structured around the three pillars of the current EU Arctic policy, with overarching themes and some of our shared priorities reflected in the conclusion.

I would be pleased to discuss our response with you in greater detail, and I know my officials have already extended this offer to your colleagues working on the consultation.

I would also like to express my personal thanks for your participation in the first event of our *Arctic Connections* webinar series. Exchanging knowledge and working across boundaries has never been more important. Our events are allowing us to promote transnational discussions on how we can build a fairer, greener and more sustainable future. I hope you will be able to join us again in the future.

Yours sincerely,

JENNY GILRUTH

Minister for Europe and International Development







10 November 2020

SCOTTISH GOVERNMENT CONTRIBUTION TO PUBLIC CONSULTATION ON THE EU ARCTIC POLICY

In January 2020, the Scottish Government published *The European Union's Strategic Agenda 2020-2024: Scotland's Perspective*¹. The document sets out our commitment to remaining an active, competent and constructive participant on EU matters despite the UK's withdrawal from the EU, which Scotland has repeatedly opposed.

It is in this spirit that the Scottish Government welcomes the European Commission's consultation on *An Integrated European Union policy for the Arctic*². Our response will be structured around the three pillars set out in the 2016 Joint Communication³, with overarching themes and recommendations reflected in the conclusion.

Scotland's Arctic and European connections

Scotland is the world's northernmost non-Arctic nation, our Shetland archipelago being closer to the Arctic circle than it is to London. Driven by geographical proximity and similar outlooks, cooperation between Scotland and the Arctic dates back centuries. To this day, Scotland continues to enjoy close social, cultural and economic links with the Arctic.

In September 2019, we published *Arctic Connections*⁴, Scotland's first Arctic policy framework. The document reflects on the challenges that Scotland shares with the Arctic region – many of which stem from rurality and low population density – and encourages greater policy and knowledge exchange, with a view to developing joint solutions that can improve the resilience and wellbeing of local communities. In the policy framework, we set out Scotland's "offer to the Arctic": a comprehensive prospectus for multilateral dialogue and cooperation around joint issues and ambitions.

Our policy framework underlines that Scotland's membership of the EU has greatly benefited our ties with the Arctic region, providing crucial support for transnational collaboration. Long-standing Scottish participation in European Territorial Cooperation (ETC) programmes, for example, has made a hugely positive difference to our communities and provided vital funding for rural development projects. The Northern Periphery and Arctic (NPA) Programme, in particular, has been of great importance to Scotland due to its thematic







objectives and geographical scope. 40% of projects in the current programme include a Scottish partner. Our recent public consultation on the future of ETC programmes⁵ demonstrated just how valuable ETC is to Scottish stakeholders. Opportunities for knowledge exchange in relation to green economy and marine sustainability, which are key priorities for the NPA, were highlighted as most important to respondents, as was continued cooperation with Arctic countries.

Notwithstanding the disappointing decision by the UK Government not to commit to future ETC programmes, the Scottish Government intends to build on the successful collaborations that we have established with partner countries over successive programming periods. Our officials are working to facilitate our continued participation in the NPA and other ETC programmes so that we can continue to deliver tangible outcomes for the people of Scotland and for our European partners.

Pillar 1: Climate change and safeguarding the Arctic environment

Global warming is having dramatic consequences for the Arctic environment and the situation has further deteriorated since the publication of the 2016 Joint Communication. In summer 2020, the Arctic experienced the worst wildfire season and second-lowest sea ice extent since satellite records began. Combined with other environmental threats – such as pollution, sea level rise and erosion – climate change poses severe threats to ecosystems and biodiversity that reverberate far beyond the Arctic region.

This is further evidence that climate change is not just a circumpolar challenge but a global emergency.

The Scottish Government supports science-driven approaches to reducing greenhouse gas emissions. We have set one of the toughest, most ambitious legislative frameworks in the world and are committed to ensuring that Scotland reaches net zero greenhouse gas emissions by 2045.

Global challenges require global responses, which is why Scotland is a proactive and constructive contributor to international partnerships and collaborations aimed at building a green and more sustainable future. We are European Co-Chair of the Under2 Coalition⁶, an international network of over 220 governments committed to ambitious climate action in line with the Paris Agreement. With many Arctic states and regions among its endorsers and signatories, the Under2 Coalition has a crucial role to play in setting the world on course to a net-zero future and delivering a green recovery to Covid-19.

We fully support the EU's development of a new Adaptation Strategy as part of the European Green Deal⁷ and contributed to the relevant public consultation⁸. Measures aimed at accelerating resilience preparedness and developing green finance have become all the more urgent as a result of the current pandemic and are of immediate relevance to the Arctic region. In *Climate Ready Scotland: Scotland's Climate Change Adaptation Programme*





2019-20249 we set out a five-year policy plan to prepare Scotland for the adverse effects of climate change. The first progress report on SCCAP2 was published in May 2020. By adopting an outcome-based and cross-cutting approach, our programme integrates adaptation into wider Scottish Government policy development and service delivery.

Climate change has not only economic and environmental implications but also a social cost. It can have a compounding effect on physical and mental wellbeing, with people who are socially disadvantaged, older, very young or experiencing chronic health problems being less able to cope. Location can also be a factor in increasing vulnerability, with individuals living in remote locations being more at risk. In addition, the combination of climate change, coastal erosion and ocean acidification represents an existential threat for cultural heritage and the historical environment.

Climate action and the transition to a net-zero economy must be underpinned by a just and human-rights based approach that leaves no one behind. The case of Arctic communities shows that those who are most vulnerable to climate change are often those who have contributed least to the problem. The Scottish Government has established a Just Transition Commission¹⁰ that advises Ministers on how our ambition of growing a net-zero economy can be achieved in a just and fair way. We have also created a Climate Assembly¹¹ to give members of the public the opportunity to discuss and make recommendations on measures to achieve our emissions reduction targets. It is important that, in addressing the global threat of climate change, local and indigenous knowledge is used to inform the development of local solutions.

This approach is reflected in the Scottish Government's commitment to developing a network of regional Community Climate Action hubs, to build on the £110 million invested in over 1,100 community projects since 2008 through our Climate Challenge Fund¹². Relationships have been formed, and learnings shared, between community climate action networks in Scotland and those elsewhere in Europe, through ECOLISE¹³, the European Network for Community-Led Initiatives on Climate Change and Sustainability, whose activities extend to all EU Member States.

This approach is also consistent with the core themes set by the Scottish Government for COP26: Just Transition and People. Our goal is for Glasgow 2021 to be a milestone in the world's transition to a net-zero future. We are committed to delivering an inclusive and successful summit that engages across sectors and communities in Scotland, the Arctic and beyond. Scotland's collaborative approach and our ambitious climate legislation present a strong platform from which delegates at COP can productively discuss further action on tackling climate change. The Scottish Government will seek to develop a programme of opportunities where all voices can be heard in a respectful and collaborative way.

Climate change is also a key driver of biodiversity loss. The Convention on Biological Diversity (CBD) COP 15 in 2021 presents a significant opportunity to set an ambitious new global framework to protect and restore the nature. Through our leading role in the





'Edinburgh Process' we have mobilised a network of international partners to ensure that the voices and views of the subnational constituency are taken into account in the development of the post-2020 framework and ambitious targets for 2030. The Edinburgh Declaration¹⁴ currently open for signatures - crystallises the outcomes of the Process. It sets out aspirations and commitments for subnational governments to deliver for nature, and calls for national governments to recognise the important role of the subnational constituency in delivery (through the adoption of a dedicated Decision at COP15). The Declaration recognises the need to protect the livelihood and wellbeing of communities, the importance of effective biodiversity mainstreaming, and specifically, the role that indigenous peoples have in the management of their territories. In the coming months, we will be working with our international delivery partners, including the European Committee of the Regions, to strengthen the alliance of supportive parties for the Edinburgh Process, and Declaration, ahead of COP15.

As acknowledged in the 2016 Joint Communication, the establishment of Marine Protected Areas (MPAs) can be an important instrument in promoting high levels of biodiversity. At present, the Scottish MPA network covers approximately 34% of our seas. In September 2020, Scottish Ministers approved the designation of the West of Scotland MPA, which is the biggest MPA located in national waters in the entire North-East Atlantic.

Scotland is at the forefront of Arctic science and Scottish institutions are involved in numerous international collaborations with European partners, contributing to a deeper understanding of the rapid changes that are occurring in the Arctic. For example, Marine Scotland Science and the Scottish Association for Marine Science participate in the Horizon 2020-funded Blue-Action project, which investigates the effects of Arctic warming on weather and climate in the Northern Hemisphere. The ocean circulation around Scotland contributes significantly to the Atlantic water pathway to the Arctic. These currents support important marine life, both as a resource (i.e. fisheries) and for conservation.

In spite of the damaging impact of the UK's exit from the EU on our ability to participate in European programmes, we will continue to offer our expertise and seek access to platforms that allow us to contribute to EU efforts at tackling climate change and promoting environmental sustainability. We have taken steps to ensure that our regulatory systems are robust following EU exit. We have introduced the UK Withdrawal from the European Union (Continuity) (Scotland) Bill to allow for alignment, where possible, with future EU Legislation in areas that are devolved to the Scottish Parliament. The Bill also contains measures to bring the EU environmental principles into Scots Law as our guiding principles on the environment, and provisions for domestic environmental governance. Scotland will remain an outward-facing and constructive partner on the EU stage.





Pillar 2: Sustainable development in and around the Arctic

The Covid-19 pandemic is having deep and complex impacts across the world's economies and societies. The new EU Arctic policy will inevitably need to address and reflect on the challenges that the pandemic has brought about, including in the European Arctic.

The State of the Union address delivered by President von der Leyen in September 2020¹⁵ highlighted the importance of making fairness and humanity the guiding principles of the post-Covid economic recovery. The Scottish Government agrees entirely with this approach.

As set out in our latest Programme for Government¹⁶, we believe it imperative that the post-Covid economic recovery is a fair and green recovery that delivers our ambition of a wellbeing economy for Scotland. In our recent Economic Recovery Implementation Plan¹⁷, we set out commitments to ensure that our actions in response to the impacts of Covid-19 will help improve the resilience of our economy, and do so in a way that protects and grows our natural assets. The Plan is underpinned by a focus on equality, in terms of both opportunities and outcomes, and human rights. Through our National Performance Framework¹⁸, we have long recognised the importance of measuring our success against more than just GDP, which is a figure that represents the level output from our economic activity, but not the quality or consequences of that activity.

Together with Iceland, New Zealand and Wales, the Scottish Government is a member of the Wellbeing Economy Governments (WEGo) group, which seeks to apply the principles of economic wellbeing to practical and scalable policy approaches. Our membership of this group enables us to engage, learn and collaborate with other governments, continuing to develop our understanding of the issues that are central to the delivery of a wellbeing economy. During 2020, WEGo countries have held virtual Policy Labs to share ideas on how a Wellbeing Economy approach can help guide response to Covid-19 and economic recovery. Finnish and Canadian officials have joined these events and we look forward to expanding these collaborations internationally. We hope to see the EU building on the initiative led by the Finnish Presidency, and set out in the Council Conclusions 'Economy of Wellbeing', which called for the Economy of Wellbeing perspective to be included horizontally in national and Union policies¹⁹.

A fundamental component of our strategy for building fairer and stronger is to promote a green recovery; one that delivers economic, social and environmental wellbeing and responds to the twin challenges of climate change and biodiversity loss. Our approach is being informed by experts, stakeholders and advisory bodies such as the UK Committee on Climate Change and the Advisory Group on Economic Recovery.

The Scottish Government supports the EU's commitment to promoting a greener energy mix in the Arctic region. We have developed world-leading expertise in the renewable energy sector, including in relation to community-level projects that benefit local populations in rural and remote areas.





Offshore wind technologies will be crucial to achieve the renewable energy generation required to meet net-zero targets. Through its massive marine zone and abundant resources of wind energy, Scotland has enormous potential to become a major generator of marine renewable wind energy in the coming decades, as set out in our recently published Offshore Wind Policy Statement²⁰. As of September 2020, Scotland has almost 1 GW of operational offshore wind, and a further 7 GW in planning, consented or under construction. Scotland is already a world leader in floating wind technologies, with the world's first floating offshore wind farm located off Peterhead, and a second under construction off the Aberdeenshire coast.

Wave and tidal stream technologies can offer an important geographically dispersed energy source. The European Marine Energy Centre (EMEC) in Orkney is a global centre of expertise in marine energy, with more wave and tidal energy devices tested at EMEC than at any other single site in the world. Scotland hosts both the world's first offshore tidal energy array (in Shetland) and the world's largest planned tidal stream array (in the Pentland Firth).

In addition, Scotland has a favourable reputation as an innovation leader in hydrogen initiatives, hosting some of Europe's major demonstration projects. In Orkney, the "Surf 'n' Turf" initiative²¹ and the "BIG HIT" project²² - both co-funded by the European Union – are demonstrating the production of hydrogen from wind and tidal energy. In the city of Aberdeen, 15 double decker hydrogen fuel-cell electric buses will be deployed under project JIVE²³, expanding on the city's fleet of hydrogen fuel-cell electric buses and making Aberdeen the first city in the world to introduce hydrogen double decker buses.

This year, the Scottish Government has taken forward our Hydrogen Assessment Project – a wide ranging assessment on hydrogen and its potential to contribute to achieving Scotland's stretching target of net zero by 2045. The findings of the Hydrogen Assessment Project will help build the evidence base to inform the development of a Hydrogen Policy Statement and a Hydrogen Action Plan as committed in our Programme for Government 2020-2021. The inclusion of hydrogen – both a source and a storage of zero-carbon energy – in the Arctic energy mix is being increasingly debated and, more recently, tested. Scotland stands ready to contribute its considerable expertise to EU-led transnational cooperation around these technologies.

We believe the Blue Economy will have a crucial role in assisting efforts at stimulating new marine economic opportunities, building resilience and charting a sustainable economic recovery from the hardship caused by the Covid-19 pandemic. The marine environment is a powerful engine for economic activity and we are currently developing a Blue Economy Action Plan to promote a programme of actions across the public sector, Scotland's science base, marine industries and the marine environmental sector. The Action Plan will identify the beneficial connections to be made between marine sectors and reflect the importance of protecting and harnessing the rich natural capital in the marine environment, upon which Scotland's marine industries rely for their success and sustainability. We welcome the EU's







decision to open a consultation²⁴ on how the Blue Economy can recover speedily and sustainably from the pandemic, in line with the European Green Deal.

Digital connectivity is key to unlocking opportunities for economic growth and creating high-value jobs in rural and remote areas. It is also fundamental for rural communities' resilience and access to public services, including healthcare. Investment in digital infrastructures is fundamental to promote equality and reverse the processes of depopulation that some parts of rural Scotland and of the European Arctic are experiencing.

Satellite technologies have shown to be an important tool in reducing or even closing broadband communication gaps. Cooperation with neighbouring countries will be key to ensuring the Arctic region experiences adequate satellite coverage. Scotland can bring a substantial contribution. We are establishing ourselves as a leading space nation, with Glasgow building more small satellites than any other place in Europe. With plans underway to develop a small satellite launch capability at Space Hub Sutherland, Scotland will offer a full-spectrum capability for the manufacture, launch and data analysis of small satellites.²⁵

This acceleration of infrastructural development, which is also promoted by the current EU Arctic policy, should go hand in hand with careful spatial and marine planning to remain environmentally and socially sustainable. We are long-term partners with the European Commission in this field and will continue to share our expertise and contribute know-how to future planning.

Pillar 3: International Cooperation on Arctic issues

Scotland supports the EU in its efforts to advocate for a sustainable and peaceful governance of the Arctic and we will show support for initiatives that have inclusivity, equality and dialogue at their core and reflect the views of those who live in the region.

Over recent years, the Scottish Government has steadily increased its involvement in Arctic platforms and fora, with a view to creating new opportunities for dialogue and collaboration on shared challenges. We believe international cooperation to be about knowledge exchange underpinned by solidarity, equality and tolerance, which are key values for both Scotland and the EU.

Working together across boundaries has never been more important. Against the challenging backdrop of Brexit, we will continue to promote Scotland as the international partner of choice for our Arctic neighbours, showcasing our appetite for bilateral and multilateral collaboration.

Conclusion

The Scottish Government believes that the three priority areas set out in the 2016 Joint Communication remain valid and should continue to guide the EU's engagement with the Arctic region.





Looking forward, and in keeping with the ambitions and priorities laid out in *The European Union's Strategic Agenda 2020-2024: Scotland's Perspective*, we would like the refreshed EU Arctic policy to continue to:

Support smart and innovative solutions addressing the needs of Arctic communities.

Research and scientific partnerships will be paramount in informing decisions across the three priority areas and the EU should continue to facilitate cross-fertilisation and encourage research collaborations. Scotland's experience shows that participation in European programmes – from territorial cooperation to academic partnerships – can produce markedly positive outcomes for communities. Scotland is able and willing to contribute to scientific endeavours and research collaborations aimed at building a stronger, fairer and more resilient Arctic.

Actively promote wellbeing and equality.

The process of updating the EU Arctic policy affords an opportunity to reflect on how the actions and commitments that will feature in the new document will contribute to improving Arctic communities' wellbeing, from both a social, economic and environmental standpoint. As the Covid-19 pandemic has demonstrated, strengthening of our collective resilience and wellbeing – alongside the promotion of sustainable economic growth – is a crucial objective for governments at all levels. We believe the wellbeing theme should be given strong emphasis in the new policy document, even to the point of meriting a fourth pillar.

 Show leadership and ambition in tackling the global climate emergency and protecting the natural environment.

The Arctic region and its melting glaciers stand as a dramatic illustration of the devastating impact of climate change on our planet. With the Arctic warming twice as fast as the rest of the planet, the new EU Arctic Policy needs to prioritise the deployment of green solutions and lay out an ambitious roadmap to a climate neutral future that leaves no one behind. The document will give the EU an additional opportunity to show leadership and demonstrate its commitment to making Europe the world's first carbon neutral continent. The European Green Deal provides a comprehensive framework to reach net-zero, which should be reflected, equally clearly, in the new EU Arctic Policy.

 Adopt an inclusive approach that puts people and communities at the heart of policymaking.

The new EU Arctic Policy should set out actions aimed at empowering communities and valuing local and indigenous knowledge, building flexible frameworks that respond to local circumstances and devolve decision making so that, wherever possible choices, are made closer to those who are affected. In particular, noting the challenge of rural depopulation, the new Arctic Policy should speak to young people, reflecting what matters for them and





helping them drive positive change in their communities, and creating platforms (and providing support) for them to exchange expertise across borders.

Scotland already works constructively with EU partners on all of these areas and stands ready to continue doing so in the years ahead.



¹ Available at: https://www.gov.scot/publications/european-unions-strategic-agenda-2020-24-scotlands-perspective/

² See https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12523-EU-Arctic-Policy/public-consultation

³ Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52016JC0021

⁴ Available at: https://www.gov.scot/publications/arctic-connections-scotlands-arctic-policy-framework/

⁵ Available at: https://www.gov.scot/publications/european-territorial-cooperation-programmes-2021-2027-consultation-report/

⁶ See: https://www.under2coalition.org/

⁷ See: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en_

⁸ See: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12381-EU-Strategy-on-Adaptation-to-Climate-Change/public-consultation

⁹ Available at: https://www.gov.scot/publications/climate-ready-scotland-second-scottish-climate-change-adaptation-programme-2019-2024

¹⁰ See: https://www.gov.scot/groups/just-transition-commission/

¹¹ See: https://www.climateassembly.scot/

¹² See: https://www.gov.scot/policies/climate-change/climate-challenge-fund/

¹³ See: https://www.ecolise.eu/

¹⁴ Available at: https://www.gov.scot/publications/edinburgh-declaration-on-post-2020-biodiversity-framework/

¹⁵ See: https://ec.europa.eu/commission/presscorner/detail/en/SPEECH 20 1655

¹⁶ Available at: https://www.gov.scot/publications/protecting-scotland-renewing-scotland-governments-programme-scotland-2020-2021/

¹⁷ Available at: https://www.gov.scot/publications/economic-recovery-implementation-plan-scottish-government-response-to-the-advisory-group-on-economic-recovery/

¹⁸ See: https://nationalperformance.gov.scot/

¹⁹ See: https://www.consilium.europa.eu/en/press/press-releases/2019/10/24/economy-of-wellbeing-the-council-adopts-conclusions/

²⁰ Available at: https://www.gov.scot/publications/offshore-wind-policy-statement/

²¹ See: https://www.surfnturf.org.uk/

²² See: https://www.bighit.eu/

²³ See: https://www.fuelcellbuses.eu/projects/jive

²⁴ See: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12659-Green-Recovery-for-the-Blue-Economy-tentative-

²⁵ See: https://www.sdi.co.uk/key-sectors/space