

## **FINANCE ACCOUNTABILITY FRAMEWORK**

### **Background**

- ▶ AO templates to be utilised by directorates **and public bodies** for all material spend decisions to support robust decision making, including assessment of value for money and affordability and ensure adequate audit trails and evidence to support transparency and public scrutiny.
- ▶ **For Resource:** the AO template process must be followed for **all expenditure over £1 million** that is not yet legally committed. For clarity this includes expenditure included within original budget allocations. This is to ensure there is an auditable trail of decision making and to support achievement of a balanced budget.
- ▶ **For Capital and FTs:** AO templates will not need sign off if the spend is set out in budget plans, is affordable within the Portfolio's overall budgetary envelope and is not novel or contentious as set out in the Scottish Public Finance Manual (SPFM).
- ▶ Any savings which are to be taken forward or held as contingency to manage the budget position can only be released via an AO Template request.
- ▶ For spend below £1 million which is not novel or contentious (novel and contentious requires Finance sign off), areas should consider Accountable Officer and subject Cabinet Secretary/Minister sign off on a case by case basis.
- ▶ The delegated limits for AO Templates is set out in **Annex C**.
- ▶ This process is to support a balance between providing Portfolios with scope to make spending decisions within the flexibility of individual budgets versus managing the overall financial position. **As noted above, it has now been extended to include all Resource expenditure over £1 million (that is not legally committed)**
- ▶ Spend decisions should also consider potential impacts on the tax system; local and devolved tax revenues; and Scotland's devolved tax policy.
- ▶ Finance Business Partners should be consulted on appropriate sign off process for politically sensitive decisions or ones which fall under the novel and contentious category, no matter the value.
- ▶ The process will be reviewed regularly during the financial year as part of a refreshed budget milestone path, with thresholds and delegations/escalation revised depending on the overall financial position.
- ▶ Areas should continue to engage at the outset of decision-making with Finance Business Partners for overall financial advice.

### **Further Issues to Consider**

Accountable officers should take particular note of the following potential issues when considering spend. Where these type of issues emerge, it is vital to seek advice from Finance officials/Finance Business Partners, SGLD, the Subsidy Control Unit, procurement or HR Business Partners as appropriate.

In your stewardship of public funds, all actions require to stand the test of Parliamentary scrutiny, public judgements and propriety and professional codes of conduct.

## **1. Novel and Contentious Spend**

"Novel" relates to proposed expenditure or financial arrangements of a sort not previously undertaken or entered into by the body in question or that could not be considered, reasonably, to be standard practice. "Contentious" relates to proposed expenditure or financial arrangements where there was doubt as to regularity (i.e. compliance with relevant legislation and guidance) or propriety (i.e. compliance with the standards expected of public bodies or officials).

This includes whether the spend is within currently delegated limits.

In business as usual circumstances, approval of a novel or contentious transaction is required prior to the decision being taken. If a decision needs to be taken immediately due to the action constituting a health and safety issue, Accountable officers must still approach their Finance Business Partner following the decision in order to homologate the approach.

## **2. Statutory and Budgetary Powers**

Accountable officers should also assess whether any expenditure undertaken has appropriate statutory power. For example, for Covid related spend potentially Section 1A of the National Health Service (Scotland) Act 1978:

### **1A Duty of the Scottish Ministers to promote health improvement:**

- (1) It is the duty of the Scottish Ministers to promote the improvement of the physical and mental health of the people of Scotland.
- (2) The Scottish Ministers may do anything which they consider is likely to assist in discharging that duty including, in particular—
  - (a) giving financial assistance to any person,
  - (b) entering into arrangements or agreements with any person,
  - (c) co-operating with, or facilitating or co-ordinating the activities of, any person.
- (3) Subsections (1) and (2) are without prejudice to section 1 and any other provision of this Act conferring or imposing functions on the Scottish Ministers.

If there is no statutory power, it may still be possible to undertake the expenditure if Ministers possess the necessary common law powers or the expenditure is not of a continuing nature. Please see the Scottish Public Finance Manual for more details.

Accountable officers contemplating activities giving rise to expenditure for which there are no statutory powers should contact SGLD and their Finance Business Partner.

## **3. Cash Availability**

The funding requirements of the Scottish Administration and other bodies directly funded by the Scottish Consolidated Fund will continue to be derived from monthly forecasts prepared by Treasury & Banking under H M Treasury's Cashflow Management Scheme based on information supplied by participants in the Scheme. Treasury & Banking will continue to manage cash flows in-month, including adjustments to forecasts as required based on any notifications by participants of changes in forecast receipts and payments. If necessary, Treasury & Banking will

request in-month top-up supplies in liaison with H M Treasury. Significant unplanned expenditure should be discussed with Treasury & Banking.

#### **4. Procurement**

Decisions that impact on current SG contracts rest with the contract owner within the SG Directorate concerned, however, SPPD should also be involved, initially through its contract management service - either <redacted>, or <redacted>

Decisions that impact on live procurements (that's where procurement action has been instigated but not yet reached the point of placing a contract) should involve the relevant part of SPPD. In the first instance please contact <redacted>

#### **5. Prioritisation, Financial Resource and Staffing Resource**

Accountable Officers are expected to have regular dialogue with respective Cabinet Secretary/ Minister regarding the prioritisation of activities within portfolios, and in this context consider both the financial resource and staffing resource for activities. Any decisions with regards to staffing resource must be taken in line with resourcing policy and workforce/resource planning, taking into account recurring future year costs and consulting HR Business Partners.

**Annex A: DECISION MAKING TEMPLATE**

**Please see approval requirements as per Annex C.**

**When submitting requests, please copy in:**

**Chief Financial Officer, your FBP, your SGLD contact, your Procurement contact, your HRBP, Subsidy Control Unit, Director of Budget and Public Spending, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted> <redacted> <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>, <redacted>**

Accountable Officers, when reviewing requests should continue to consider if the key tests of: Powers of Intervention, Regulatory of Expenditure, Propriety, Value for Money and Feasibility (i.e. financial sustainability) are satisfied

<p><b>Policy Questions</b></p> <p>The nature of the request (e.g. recruitment of staff, new infrastructure, IT system changes, etc.), and the aims, and objectives the proposals will support:</p> <p>The Scottish Government (SG) launched the world’s first dedicated Climate Justice Fund (CJF) in 2012. It remains the only government-led climate justice fund globally, marking Scotland as world-leading in putting issues of transformative, procedural and distributive justice at the centre of our international climate action. This Fund is also Scotland’s contribution to international climate finance.</p> <p>A climate justice approach recognises those least responsible for the global climate emergency are being affected first and most severely by it. An effective response must tackle existing inequalities such as wealth disparity and discrimination based upon gender, age, disability or indigenous status, as the impact of climate change can be made worse by these factors.</p> <p>At COP26, the First Minister set out Scotland’s moral responsibility to provide urgent action to address loss and damage and made a financial pledge of £2m as well as a commitment to trebling the Climate Justice Fund to £36m over this parliamentary term to tackle inequalities. This £2m has been almost fully allocated. Expectations from NGOs and other governments are high that SG will continue to show leadership on L&amp;D, maintaining our position at the front of the global debate and pushing the boundaries further. Officials are now considering what comes next, building on what we have already achieved. In particular and in line with our policies on good global citizenship and taking a feminist approach to foreign policy, we want to recognise</p>
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the differentiated impacts of climate change on gender. There is an opportunity to strengthen SG's approach to gender equality and international climate change and to play a global leadership role to help ensure issues of equity are embedded within the global transition to net-zero.

The Scottish Government recently commissioned the Centre for Climate Justice at Glasgow Caledonian University on research on the inter-relationship between climate change, mental health and gender-based violence in Malawi. The study was the first comprehensive attempt to evaluate the gender specific non-economic loss and damage impact of climate change on mental health. The research makes astute conclusions on women's health and wellbeing being affected by climate change and these impacts are compounded by existing structural socio-economic inequalities.

The Scottish Government are also committed to playing a visible leadership role on loss and damage. We recently held an international conference that brought together stakeholders to discuss finance and agree principles on how we best tackle the devastating impacts caused by loss and damage. At present, the Scottish Governments efforts to address loss and damage have focused on sudden-onset events and economic loss and damage. At the conference, both the First Minister and the Minister for Environment and Land reform reaffirmed that an effective response must also seek to address slow onset and non-economic loss and damage, as well as the important differentiated impacts. Looking ahead to COP27, it is essential that we show we have taken on board the important discussions held over the conference and more importantly, acted accordingly. The proposed multi-year funding below is a key announceable for COP27 that will showcase the action that Scotland is taking on loss and damage.

Officials propose that SG deliver a multi-year fund that will seek to address loss and damage in a way that is gender responsive with a particular emphasis slow onset impacts e.g. mental health. Officials will explore how to deliver this in a way that maximises value for money and based on the following principles:

- Deliver a participatory, co-designed programme that fully meets the needs of the communities that it seeks to serve
- Be gender-responsive in addressing loss and damage impacts (NELD) caused by climate events
- Tackle structural barriers that mean women are more vulnerable to climate shocks

Each grant design will be modelled on the Climate Just Communities participatory approach, whereby the exact structural inequalities and impacts to be addressed, as well as the type of interventions to do so, will be determined through engagement with the communities and stakeholders where the programme is operating.

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At present, there is a lack of research on the gendered impacts of loss and damage and it is our hope that this research will contribute to the global evidence base and is replicable by bigger institutions. The resulting evidence can be used to mainstream gender in further research on climate and will have impacts far beyond our direct programme, further strengthening our reputation as a world leader on loss and damage.

The proposed programme is part of a package of ongoing activity supporting women and girls. Officials propose funds will be used from within the 23/24, 24/25 and 25/26 FY budget allocation for the Climate Justice Fund and well within the £36m overall envelope. All of the below represent possible announcements and opportunities to engage internationally at COP27, continuing our COP26 legacy of being a bridge builder.

How does this link to your directorate strategy as informed by the National Performance Framework and other Government Priorities:

This supports the NPF in the following ways:

National Outcomes

- **International** - We are open, connected and make a positive contribution internationally;
- **Human Rights** -We respect, protect and fulfil human rights and live free from discrimination

Indicators

- Access to justice
- Scotland's reputation
- International networks
- Contribution of development support to other nations

SDGs

- Goal 5: Gender equality
- Goal 10: Reduce inequality
- Goal 13: Climate action
- Goal 17: Partnerships for the goals

This work supports the international directorate business plan in several ways, including supporting on one of the COP27 Impact Programme focus areas:

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- Delivering our net-zero ambition in Scotland and building a fairer, more just society

Also directly relevant to the programme objectives of:

- *Climate Justice*: Deliver an enhanced climate justice programme that advances loss and damage policy internationally; builds a strong foundation of funded projects; and develops strategic partnerships. This programme will align with the SG's international development agenda and be underpinned by evidence.

And our divisional strategic objective:

- Society and stakeholders are **aware and empowered to take action** that contributes to Scotland (and partners) meeting its ambitious emissions reduction targets, and prepares Scotland (and partners) for the impacts of climate change (recognising the role of behaviours as part of the solution).

Is this issue unique to Scotland, compared to the rest of the UK, if so explain why this is the case:

The issue faced is not unique to Scotland, loss and damage and gender inequality are international issues. However, Scotland is seen as a global leader in loss and damage and climate justice, and internationally, countries and stakeholders are looking to SG for leadership. This is an opportunity to champion issues of gender inequalities in our CJF programming.

The Scottish Government launched the world's first dedicated Climate Justice Fund (CJF) in 2012. Over the next four years, Scotland will also increase its International Development Fund from £10 million to £15 million pa.

What would be the impact if this activity was not taken forward:

Reputational Impacts:

- As one of the first movers on loss and damage, Scotland is seen as a global leader. We have a moral responsibility to act on loss and damage and to lead the way for others to follow. The First Minister and Minister for Environment and Land reform have publically called for greater recognition and action on the differentiated impacts of loss and damage, specifically citing gender and mental health. To not act on this issue could weaken our international influence and credibility and reflect poorly on Scotland's reputation as a world leader on loss and damage.
- Not funding this project would result in an underspend for the Climate Justice Fund which has already been announced.

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- At COP26, Scotland (alongside UN Women) created and signed the Glasgow Women's Leadership Statement and announced our intention to become a commitment maker through the Feminist Action for Climate Justice UN Generation Equality Forum and our feminist approach to foreign policy, a lack of gender-specific programmes and/or would be uncharacteristic of our past efforts and could weaken our international influence.

Are there other options available to take forward this action and have these been fully considered and compared?:

No other options are available.

If already taken forward, why this needed an urgent response and what would have been the impact on the proposal/proposed mitigating action if this was delayed:

The programme will be announced at COP27 – an important international milestone. The conference represents an opportunity for Scotland to showcase action we are taking on loss and damage on a global stage. Failure to do so would represent a key reputational risk, particularly after our international conference on loss and damage held earlier in October.

What budgetary and legislative powers will be used to undertake the activity? (eg is the spend covered under the budget act and legislative powers of the Scottish Parliament). Please contact SGLD and finance for advice

Section 153(1) of the 1990 Environmental Protection Act confers a broad power on Ministers to give financial assistance where doing so is for the purposes of the UN Framework Convention on Climate Change.

Section 97 of the Charities and Trustee Investment (Scotland) Act 2005, which gives the Scottish Ministers the power to make such payments as they think fit to benevolent bodies in connection with its activities.

Schedule 1 of the Budget (Scotland) Act 2020 of which purpose 7 in column 1 of the table gives the Scottish Ministers the power to fund climate change activities.

Do you consider the spend to be novel or contentious? If so please contact your Finance Business Partner for advice

Not novel or contentious.

Areas of government the costs will impact (e.g. Directorate / Local Government / Public Body) :

Climate Justice Fund  
International Climate Change Division  
Directorate for Energy and Climate Change

Overall, do you consider this spend to be value for money?

- How will value for money be assessed for this projects (ie the plans for monitoring evaluation by assessing performance against SMART objectives and the National Performance Framework for example).
- If other options might achieve the objective at lower costs note the additional benefits gained from the selected option
- Consider the impact of risk in the project and how it affects your value for money assessment

Yes – spend is value for money. All projects will be assessed and closely monitored through regular check ins, mid- and end of year reports.

The programme will be continually evaluated for the four elements of value for money to ensure ongoing value.

#### Economy

It is anticipated that providing funds via a multi-year commitment will deliver economies of scale, reducing costs of securing multiple year-on-year contracts and reducing the resource burden on SG through having to run multiple procurement exercises. In addition, multi-year flexibility allows for stability of in-country resource and reduced risk of programme resource focusing on fundraising activities rather than intervention delivery.

#### Efficiency

The recent review of International Development proposed new principles that the Scottish Government has signed up to. These explicitly recommend a move towards fewer, larger funded proposals rather than a scattergun approach to multiple small grants or programmes.

#### Equity

Through minimising the administrative costs of this approach, officials are ensuring that the maximum possible finance reaches the communities that this programme seeks to serve. Often the most marginalised in especially climate-vulnerable

communities. This will be ensured through programme design as the initial scoping phase includes a community needs assessment – in line with emerging international best practice.

### Effectiveness

The programme performance will be monitored against a theory of change cutting across the Climate Justice Fund, and against specific deliverables and SMART objectives that will be set through the needs assessment process.

Research officers at the Scottish Government have developed a MEL framework to cut across climate justice policy, including programmes, research and engagements. The framework has been created based on the CJ theory of change developed during the CJF evaluation and takes into account the OECD evaluation criteria for development programmes. Narrative reporting templates will be revised by officials to include proposed outcomes indicators.

The initial CJF M&E highlighted 3 main outcome areas (or areas for influence through it's CFJ programme):

#### **CJF Outcome Area 1: Increased knowledge and knowledge-sharing at different levels**

- Knowledge creation e.g. what interventions are effective to deliver action to address non-economic loss and damage
- Knowledge dissemination e.g. promotion through stakeholder events and inclusion on the SG Climate Justice Toolkit
- Knowledge use e.g. End user opinions about SG-funded research and how they are used

#### **CJF Outcome Area 2: Increased community inclusion and participation at a local level**

- Inclusion e.g. The extent to which projects engaged beyond traditional and well-established stakeholder groups, with underrepresented and seldom heard groups.
- Participation e.g. Perceptions of participants and wider community about relevance of projects to their lives and needs

#### **CJF Outcome Area 3: Enhanced climate resilience at community level**

- Grant effectiveness e.g. Way in which the intervention being used, and by whom, and how this aligns with expectations
- Grant sustainability e.g. Financial data shows interventions have onwards sustainability
- Grant embeddedness e.g. Extent to which the intervention responds to beneficiaries, wider community and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
- Community understanding/empowerment e.g. Involvement in wider public decision making (e.g. petition/lobbying/campaigning etc)

## Objectives

- **COP27:**
  - Contribute to evidence base for states and regions to be involved in delivery of and access to finance for addressing loss and damage.
  - To bring together government and non-state actors to explore and identify solutions to addressing loss and damage, including the roles of and synergies between different actors, institutions and funding sources/types.
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- **Bridging role:**
  - Bring together stakeholders to build consensus around definitions
  - To facilitate connection and collaboration between attendees to develop international, regional and local partnerships to address loss and damage
- **Practical action:**
  - Showcase best practice for delivery of finance to address loss and damage. To mobilise increased commitments and support (political, technical and financial) for addressing loss and damage .
  - To showcase global action (case studies, projects etc.) and impacts (experience, stories) of loss and damage.

**TEMPLATE CONTINUES ON NEXT PAGE**

## Finance Questions

The total amount of funding needed and when it is needed: £5 million

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Portfolio	DG	Directorate	Key Deliverable	Resource, Capital or Financial Transactions	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Environment and Land Reform	Net Zero	Climate Change	Gender Programme	Resource	Nil	£1m	£2m	£2m

Savings Options to Mitigate Spend:

Portfolio	DG	Directorate	What spending is being reduced?	Resource, Capital or Financial Transactions	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000

What reprioritisation and mitigating options/actions have been explored in advance of this proposal to manage or absorb the request, including cutting costs and, reprioritising existing staff and budgets:

This is not an option for this spend.

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What are the longer-term financial implications of this request, and how will these be funded from the business area (e.g. if funding increase in staffing how will recurring staff costs be met in future years)

These projects will be run from this financial year into next and will be grant managed by the international climate change team.

What timeframe does this commitment cover (eg what date will the spend commence and when is it expected to end to the nearest month)

2023/2024 – 2025/2026

What are the impacts on the tax system of this request – whether that be devolved taxation or tax powers reserved to the UK Government? If none, please explain why. If unsure please contact the Tax Division for advice.

N/A

**Procurement**

When approval for the proposed expenditure is needed by, with reference to when the funds need to be committed by, and the contractual arrangements for committing them (including what discussions you have had with procurement).

The Delivery mechanism will be decided following discussion with stakeholders and ministerial steer. Officials will establish the best route to market and make a recommendation on that basis. Likely via a competitive grant award process as this was highlighted at the Scottish Loss and Damage conference as the best mechanism for delivering loss and damage funds.

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Procurement reviewed by:	Date:	Comments:
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**Performance Framework**

This relates to a number of PfG commitments surrounding the Climate Justice Fund

Performance Framework reviewed by: <redacted>	Date: 04/11/2022	Comments: There are no concerns from a Performance Framework perspective
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**Legal**

Any legal risks arising from the proposed spending and confirmation that these have been considered by SGLD:

N/A –no legal risks have been identified

Legal reviewed by:	Date:	Comments:
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**HR**

Any decisions with regards to staffing resource must considered in the context of resourcing policy and your workforce/resource planning, take into account recurring future year costs, and involve HR Business Partners.

If the activity involves new staffing resource has consideration been given to all other options – such as resource becoming available through re-prioritisation or multifunctioning staff within and across Directorates:

N/A – this will be managed by existing members of the international Climate Change division

HR Business Partner reviewed by:	Date:	Comments:

**Subsidy Control (formally State Aid Unit)**

Any risks arising from the proposed spending and confirmation that these have been considered by the State Aid Unit:

We cannot sign this off until speaking to the policy team as there is not enough detail on this form for us to consider. We have arranged two calls which neither have been attended.

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Subsidy Control Unit reviewed by:  <redacted>	Date:  17/11/2022	Comments: See above
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**SG Finance – CFO considerations:**

The above business case has been reviewed by SG Finance who highlight the below comments:

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CFO signed::	Date:	Comments:
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**Declaration**

The above business case is judged as the best course of action to mitigate priority costs. All efforts have been made to resource activity from within current staffing and budgets, and options to acquire resource from other areas of the Scottish Government have been fully exhausted before requesting further resource.

	Signed	Date
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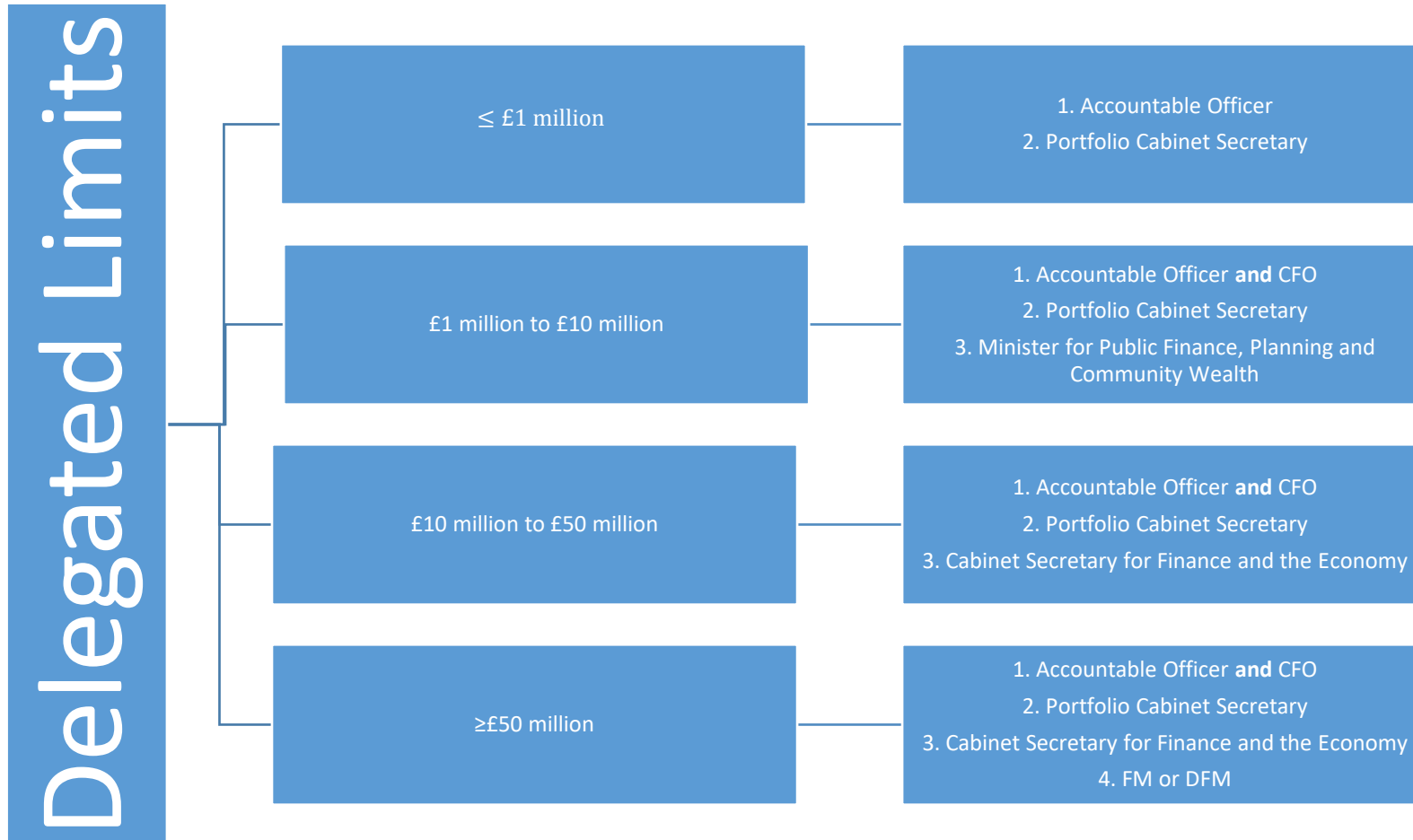
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Director General (or equivalent)			
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Annex C

Delegated Limits and Approvals



**NB For spend below £1 million which is not novel or contentious (novel and contentious requires Finance sign off), areas should consider Accountable Officer and subject Cabinet Secretary/Minister sign off on a case by case basis. Please speak to your Finance Business Partner for guidance on a case by case basis**

## **EMAIL EXCHANGE 1**

**From:** <redacted> on behalf of Minister for Environment and Land Reform

**Sent:** 03 November 2022 23:24

**To:** <redacted> Minister for Culture, Europe and International Development and Minister with special responsibility for Refugees from Ukraine <redacted> Cabinet Secretary for Net Zero, Energy and Transport <redacted>

**Cc:** <redacted> DG Net Zero <redacted> ; <redacted>; <redacted>; <redacted>;<redacted>;<redacted>; <redacted>; <redacted>; <redacted> >; <redacted>; <redacted>; <redacted>;<redacted>;<redacted>; <redacted> (Special Adviser) <redacted>; Communications Net Zero & Rural Affairs <redacted>;<redacted>;<redacted>;<redacted>; <redacted>

**Subject:** RE: Urgent - COP announcement submission

**This email is for the official record and confirms a Ministerial Decision. This email must be placed in the official record (eRDM) by your team [in line with SG records management policy.](#)**

Hi Emma,

Ms McAllan is content.

Thanks,  
Jo

**<redacted> | Deputy Private Secretary  
Cabinet Secretary for Net Zero, Energy and Transport – Michael Matheson  
The Scottish Government | St Andrew’s House, Edinburgh, EH1 3DG |  
Mobile: <redacted> | Email: <redacted>**

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**From:** Emma <redacted> <redacted>

**Sent:** 03 November 2022 20:32

**To:** Minister for Environment and Land Reform <redacted>; Minister for Culture, Europe and International Development and Minister with special responsibility for Refugees from Ukraine <redacted>; Cabinet Secretary for Net Zero, Energy and Transport <redacted>

**Cc:** <redacted> DG Net Zero <redacted> ; <redacted>; <redacted>; <redacted>;<redacted>;<redacted>; <redacted>; <redacted>; <redacted> >; <redacted>; <redacted>; <redacted>;<redacted>;<redacted>; <redacted> (Special Adviser) <redacted>; Communications Net Zero & Rural Affairs

<redacted>;<redacted>;<redacted>;<redacted>; <redacted>

**Subject:** RE: Urgent - COP announcement submission

**PS Minister for Environment and Land Reform for action**

**PS Minister for Europe, Culture and International Development for action**

**PS Cabinet Secretary for Net Zero for portfolio interest**

Please find attached a submission as referenced by Liz in her email below seeking approval for funding for a £5m announcement at COP27.

AO approval has been sought and now has been received from the Permanent Secretary. Officials would be grateful for an urgent response in order to include detail in briefings for the FM in advance of her travelling.

Best regards

Emma

## **EMAIL EXCHANGE 2**

**From:** Permanent Secretary <redacted>

**Sent:** 03 November 2022 20:39

**To:** DG Net Zero <redacted>

**Cc:** <redacted>; <redacted>; <redacted>; <redacted>; <redacted>; DG Net Zero <redacted>; <redacted>;

**Subject:** RE: FOR APPROVAL: AO template for proposed Loss and Damage Fund - COP27 announcement

Thank you. Roy, as discussed; and agree with CFO's comments below on the requirement that this will have to be prioritised within the future NZ Budget; content you proceed as recommended. I hope COP goes very well. V best wishes JP

**From:** <redacted> **On Behalf Of** DG Net Zero

**Sent:** 03 November 2022 17:40

**To:** Permanent Secretary <redacted>

**Cc:** <redacted>; <redacted>; <redacted>; <redacted>; <redacted>; DG Net Zero <redacted>; <redacted>;

**Subject:** RE: FOR APPROVAL: AO template for proposed Loss and Damage Fund - COP27 announcement

Office of the Permanent Secretary,

DG Net Zero invites you to consider the attached AO template for £5m of future year spend on environmental loss and damage to be announced at COP27. Once cleared by PAO this will require urgent sign-off by ministers such that this can be included in FM's briefing documents before she travels; your prompt response is appreciated where possible.

Supplementing CFO's view below, Roy notes the urgency in relation to COP27, and that this builds on commitments given by FM at COP26. Given that climate change is one of Ministers' key priority areas, he is content that this should continue forward. However, our understanding is that this particular £5m loss and damage fund would be funded from the Climate Change Fund- the commitment which was made at COP26 to increase to £36m over the lifetime of the parliament. This remains a pressure and will need to be addressed through further prioritisation in the upcoming 23/24 and future years budget process to ensure all commitments can be delivered over time.

Thanks

Craig

<redacted>

Head of Corporate Support | DG Net Zero | Scottish Government

<redacted> | <redacted> | <redacted>

### **EMAIL EXCHANGE 3**

**From:** <redacted> Roy <redacted> **On Behalf Of** DG Net Zero

**Sent:** 01 November 2022 13:39

**To:** <redacted> ; DG Net Zero <redacted> ;

**Cc:** <redacted>; <redacted>; <redacted>; <redacted>; <redacted><redacted> ;  
<redacted>; <redacted> ; <redacted> ; <redacted> ; <redacted> ; <redacted> ;

**Subject:** RE: FOR DECISION: Proposed L&D fund - COP announceable

I note the urgency in relation to COP27, and that this builds on commitments given by the FM at COP26. Given that climate change is one of Ministers' key priority areas, I am content that this should continue forward. However, my understanding is that this particular £5m loss and damage fund would be funded from the Climate Change Fund- the commitment which was made at COP26 to increase to £36m over the lifetime of the parliament. This remains a pressure and will need to be addressed through further prioritisation in the upcoming 23/24 and future years budget process to ensure all commitments can be delivered over time.

R

**From:** Emma <redacted>

**Sent:** 01 November 2022 09:48

**To:** DG Net Zero <redacted>

**Cc:** <redacted>; <redacted>; <redacted>; <redacted>; <redacted><redacted> ;  
<redacted>; <redacted> ; <redacted> ; <redacted> ; <redacted> ; <redacted> ;

**Subject:** FOR DECISION: Proposed L&D fund - COP announceable

Roy

As discussed with Kersti, please see attached the AO form for the proposed £5m loss and damage fund announcement for COP. In order to include it in the First Minister's brief we need a decision by **10:00 Wednesday 2<sup>nd</sup> November** if possible. For information I also attach an email from Liz <redacted> on this proposal on the wider international context.

Kersti's office have already informed officials that this will need CFO approval as well.

Many thanks

Emma

**Emma <redacted>** (pronouns: they/them)

Team Leader – International Climate Policy | Climate Change Division | Directorate for Energy and Climate Change

<redacted>

: @ScotGovClimate



