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The future UK-EU relationship

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European Affairs Committee

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Declaration of interests

See Appendix 1.

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Evidence is published online at <https://committees.parliament.uk/work/6868/the-future-ukeu-relationship/publications/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Q in footnotes refers to a question in oral evidence.

SUMMARY

This inquiry set out to examine the overarching state of the post-Brexit UK-EU relationship and to consider how this might be developed in the future. We took into account the impact of domestic and international events since the Trade and Cooperation Agreement (TCA) was signed in 2020, including tensions between the UK and the EU over the Protocol on Ireland/Northern Ireland and Russia's invasion of Ukraine.

Our inquiry focused on four themes which we identified as especially salient at the present time, either as ongoing issues of concern or as presenting potential opportunities for future cooperation: the overall political, diplomatic and institutional relationship; the foreign policy, defence and security relationship; energy security and climate change; and mobility of people.

While we do not analyse the provisions of the Windsor Framework, we welcome the opportunity that its agreement in February 2023 presents for progress to be achieved in other areas of the UK-EU relationship. Our Sub-Committee on the Protocol on Ireland/Northern Ireland is currently conducting an inquiry into the Windsor Framework and is expected to report on this before the 2023 summer recess.

The political, diplomatic and institutional relationship

We deeply regret that during the first two years since the TCA came into force, the political relationship between the UK and the EU was characterised by tension and mistrust. The state of relations during that period was highly unsatisfactory. We welcome the change in the mood around UK-EU relations since autumn 2022, and especially since the Windsor Framework was concluded.

Rebuilding trust must now be a shared priority for the Government and the EU. This includes the need to maintain a regular dialogue at all levels.

We recommend that there should be a considerable increase in engagement within existing institutional structures, including the Partnership Council and the TCA Specialised Committees. We also consider that there would be value in holding regular UK-EU summits, and we call on the Government to approach the EU with a proposal to host an inaugural summit in the UK. The UK's participation in the new European Political Community is a welcome step, and we are looking forward to the next two meetings in Moldova and Spain followed by a meeting due to be held in the UK in 2024. We welcome the FCDO's commitment to brief the Committee about these meetings.

In addition, strong coordination within Whitehall, and with the UK's devolved administrations, will be required to maintain the internal coherence of the UK's approach. We recommend that the Interministerial Groups established in 2022 should be used as a forum for input from the devolved government.

Policy developments in the UK and the EU, including possible divergence resulting from the Retained EU Law (Revocation and Reform) Bill that is currently being considered by Parliament, could have implications for the other partner in the relationship in the future. Where this is the case, we consider it imperative that the Government and the European Commission engage with one another through the relevant institutional forums from as early a stage as possible in the respective UK and EU policy processes.

The foreign policy, defence and security relationship

Cooperation between the UK and the EU has been close and productive in response to the Russian invasion of Ukraine and will have to remain so in the context of the post-war reconstruction of Ukraine.

Given the urgency of the task, we are pleased that cooperation between the UK, the EU and other international partners on sanctions policy against Russia is taking place. Nevertheless, we consider that the ad hoc approach to sanctions coordination with the EU should be replaced by a more formal mechanism to make the overall sanctions regime more robust and maximise its effectiveness. Closer cooperation is necessary, in particular, for monitoring and evaluating the implementation and enforcement of sanctions. We note the recent establishment by the G7 of the Enforcement Coordination Mechanism which is complementary to this recommendation.

We welcome the Government's decision to participate in the Military Mobility project, which is part of the EU's Permanent Structured Cooperation (PESCO). We urge the Government to consider future opportunities for defence cooperation with the EU that are complementary to NATO as they arise.

Events since the TCA came into force, Russia's invasion of Ukraine and the response to it, but also China's increasingly assertive actions, have served to underline the mutual benefits to be gained from close and continuing working arrangements between the UK, the EU and EU Member States on foreign and security policy issues. We therefore recommend that the Government should approach the EU with the aim of establishing appropriate structured cooperation arrangements, as foreseen in the UK-EU Political Declaration that was published alongside the Withdrawal Agreement in October 2019. The Government should also continue to invest resources into its bilateral relationships with individual Member States.

Energy security and climate change

We welcome the close cooperation between the UK and the EU in response to the energy security challenges experienced in the aftermath of Russia's invasion of Ukraine. We are pleased that energy trading between the UK and the EU has continued without much disruption. However, we urge the Government to build on this, including through greater use of the TCA Specialised Committee on Energy and closer cooperation at political level. An agreement should be reached to guarantee that energy flows between the UK and the EU would be maintained in the event of a critical supply shortage.

The recent Memorandum of Understanding between the UK and the participants of the North Seas Energy Cooperation (NSEC) is a welcome development. Nevertheless, this does not provide for the UK to be a full member. Given the body's importance in the context of the Government's ambition to increase the share of renewable energy in the UK's energy mix, the Government should keep under review whether the MoU provides for sufficiently close cooperation with the NSEC.

There would be significant mutual benefits to be gained from the UK and the EU linking their respective Emissions Trading Schemes, and we recommend that the Government should approach the EU to explore this possibility. The Government should also engage closely with the EU in relation to the latter's

proposed Carbon Border Adjustment Mechanism, which may have major implications for the UK.

Mobility of people

We recognise the impact of the end of the free movement of people between the UK and the EU on business and professional mobility, as well as school travel and student exchanges. The evidence that we have considered suggests that the complexity of the post-Brexit rules is a serious barrier to mobility. We accordingly recommend that the Government makes its guidance on business and professional travel between the UK and EU Member States more straightforward to navigate and interpret. We are disappointed that little progress has been made in addressing the challenges faced by creative professionals wanting to work and tour in the EU and call on the Government to take these matters up with the EU as a priority.

We consider school visits between the UK and the EU to have considerable value as a means of exposing children to different cultures and deeply regret the substantial decline in visits from the EU since 2019. The Government should reintroduce a youth group travel scheme that would not require pupils travelling on school visits from any EU country to carry individual passports.

While the Turing student exchange scheme has notable strengths we regret that it supports only outward mobility, unlike the reciprocal Taith scheme introduced by the Welsh Government. We call on the Government to explore with the higher education sector the possibility of adding a reciprocal element to the Turing scheme, drawing on the experience of Taith. We also urge the Government and the EU to take the necessary steps to complete UK association to the EU's Horizon Europe research funding programme as soon as possible.

A common theme in the evidence we heard was that post-Brexit barriers to mobility between the UK and the EU, in both directions, have had a regrettable impact on young people. We therefore call on the Government to approach the EU about the possibility of entering negotiations around an ambitious reciprocal youth mobility partnership, similar to existing youth mobility arrangements that the UK and individual EU Member States have with other jurisdictions. We note that while these travel/work visa arrangements have various limitations, including the number issued in any year, such a scheme would allow young people to apply for fixed-term visas to travel and work in the other partner on preferential terms.

Many of our recommendations focus on actions that we believe should be taken as soon as possible, as part of a systematic effort at developing a more mutually cooperative UK-EU relationship following the agreement on the Windsor Framework. We also anticipate that this report will inform the early stages of debate ahead of the review of the TCA that is due in 2025, which will provide an excellent opportunity to review critically the post-Brexit UK-EU relationship.

The future UK-EU relationship

CHAPTER 1: INTRODUCTION

1. The United Kingdom left the European Union on 31 January 2020, and the post-Brexit transition period ended on 31 December 2020. Following negotiations between the UK and the EU, the current relationship is principally governed by the Withdrawal Agreement and the Trade and Cooperation Agreement (TCA).
2. The UK's post-Brexit relationship with the EU has been heavily affected by international events, including a global pandemic and a war on the European continent, of a scale and impact not seen since the breakup of Yugoslavia. Responses to COVID-19, climate change and to Russia's invasion of Ukraine have contributed to new tensions, but at times also fostered closer cooperation in the face of common threats.
3. There has now been sufficient passage of time to be able to evaluate how the arrangements governed by the Withdrawal Agreement and TCA have been operating. Furthermore, the substantially changed geopolitical context following the Russian invasion of Ukraine provides an opportunity to take stock of UK-EU relations in areas such as foreign policy, defence and energy.
4. We therefore consider that it is now an appropriate point at which to examine the overarching state of the relationship between the UK and the EU, and how this might be developed in the future. In particular, this report seeks to identify areas of potential cooperation that should now become the focus of the UK and the EU.

Our inquiry

5. This inquiry did not address issues specific to Northern Ireland's post-Brexit relationship with the EU, including the agreement of the Windsor Framework announced by the UK and the EU in February 2023, and formally adopted at the Withdrawal Agreement Joint Committee meeting on 24 March 2023.¹ These matters have been the subject of extensive and ongoing scrutiny by our Sub-Committee on the Protocol on Ireland/Northern Ireland. The Sub-Committee has published two reports on the operation of the Protocol on Ireland/Northern Ireland (the Protocol) and its socio-economic and political impact on Northern Ireland, as well as detailed analysis of the Northern Ireland Protocol Bill and specific aspects of the Protocol's operation.² On

1 While formally agreed by the Parties at a meeting of Withdrawal Agreement Joint Committee on 24 March 2023, the legislative road for the adoption of the Windsor Framework will be long. That process began with the adoption of a Statutory Instrument establishing the so-called Stormont Brake in late March.

2 European Affairs Committee, *Report from the Sub-Committee on the Protocol on Ireland/Northern Ireland: Follow-up report* (2nd Report, Session 2022–23, HL Paper 57); see also letter from Lord Jay of Ewelme, Chair of the Protocol on Ireland/Northern Ireland Sub-Committee, to Rt Hon James Cleverly MP, Secretary of State for Foreign, Commonwealth and Development Affairs (22 November 2022): <https://committees.parliament.uk/publications/31662/documents/177968/default/>. Issues discussed in these reports include the provision of medicines to Northern Ireland, the provisions of Article 2 on rights of individuals, the application of EU law to Northern Ireland under the Protocol, and the role of the CJEU.

17 March, the Sub-Committee launched an inquiry into the Windsor Framework and is expected to report on this before the 2023 summer recess.³

6. The impasse between the UK and the EU over the implementation of the Protocol had a detrimental impact on other areas of the relationship in 2021 and 2022, which is discussed in more detail in Chapter 2. While this report does not analyse the provisions of the Windsor Framework, we welcome the opportunity that its agreement presents for greater progress to be achieved on other salient matters, including many of those within the scope of this inquiry.
7. The inquiry focused on the following four themes:
 - (1) The overall political, diplomatic and institutional relationship
 - (2) The foreign policy, defence and security relationship
 - (3) Energy security and climate change
 - (4) Mobility of people
8. These themes do not comprise an exhaustive list of areas in which UK-EU relations could be developed. However, we consider the themes that we have selected to be especially salient at the present juncture, either as ongoing issues of concern or as presenting potential opportunities for future cooperation.
9. We did not focus in detail on the overarching UK-EU economic and trading relationship. We have already produced a large body of work on this subject since the TCA came into force, including substantial reports on trade in goods between Great Britain and the EU, and on the UK-EU relationship in financial services.⁴ We did, however, cover economic and trade issues insofar as these are relevant to the four themes set out above.

3 Protocol on Ireland/Northern Ireland Sub-Committee, 'Windsor Framework inquiry': <https://committees.parliament.uk/work/7372/windsor-framework/news/194239/new-inquiry-and-call-for-evidence-launched-on-the-windsor-framework/>

4 European Affairs Committee, *One year on—Trade in goods between Great Britain and the European Union* (4th Report, Session 2021–22, HL Paper 124); European Affairs Committee, *The UK-EU relationship in financial services* (1st Report, Session 2022–23, HL Paper 21)

10. **We received some fresh evidence relating to the wider economic and trade relationship.⁵ On the basis of this information we stand by key recommendations from our report on trade in goods, including that the Government should seek an agreement with the EU on Sanitary and Phytosanitary (SPS) rules, and that it should provide additional support for small businesses affected by the changes to trade arrangements.⁶ We also reiterate our view, expressed in our report on the UK-EU relationship in financial services, that the Government should seek to conclude the proposed Memorandum of Understanding with the EU on financial services cooperation as soon as possible.⁷ It is disappointing that little progress has been made so far. We retain a close interest in these themes and will be monitoring developments closely, particularly in light of the improved atmosphere for UK-EU relations following the agreement on the Windsor Framework.**
11. **Many of our recommendations focus on actions that we believe should be taken within the next few months, as part of a systematic effort at developing a more cooperative relationship following the agreement on the Windsor Framework. We also hope that this report will help to inform the forthcoming review of the TCA, due to take place in 2025, which will be a focus for the Committee. It will be important to identify policy areas where there is genuine mutual benefit in strengthened UK-EU cooperation and in expanding the scope of the TCA in order to avoid characterisation as cherry picking. We have acted in that spirit in the recommendations we have made in this report.**
12. Throughout our work we have seen consistent evidence of the need to improve communication both internally within the UK (for example with the devolved governments) and between the UK and the EU sides. Some of our recommendations focus on this, largely by adapting existing structures.

5 Professor Jonathan Portes indicated that leaving the EU had resulted in “a significant negative impact on UK trade”, although he added that “considerable uncertainty remains about the magnitude of these impacts and the precise mechanisms at work”, see more: written evidence from Professor Jonathan Portes ([UKE00014](#)).

The British Chamber of Commerce in Brussels said that the increase in administrative burdens around customs had impacted on UK-EU trade. It cited an Office for Budget Responsibility (OBR) estimate that exports and imports will be around 15% lower in the long run, compared to if the UK had remained in the EU, see more: written evidence from British Chamber of Commerce EU and Belgium ([UKE0056](#)).

The European and International Analysts Group similarly identified a “negative” impact of Brexit on trade, with a particularly significant impact on imports from the EU to the UK, see more: written evidence from European and International Analysts Group ([UKE0012](#)).

The Centre for Inclusive Trade Policy noted that the TCA does not cover “decisions relating to equivalences for financial services” or “the assessment of the UK’s sanitary and phytosanitary regime for the purpose of listing it as a third country allowed to export food products to the EU”, see more: written evidence from Centre for Inclusive Trade Policy ([UKE0066](#)).

The City of London Corporation highlighted that the EU “remains a top destination for UK financial services exports”, see more: written evidence from City of London Corporation ([UKE0068](#)).

We note that others have argued that Brexit has had a limited impact on the UK economy. See, for example, Briefings for Britain, *What impact is Brexit having on the UK economy?* (13 October 2022): <https://www.briefingsforbritain.co.uk/what-impact-is-brex-it-having-on-the-uk-economy/> [accessed 25 April 2023].

6 European Affairs Committee, *One year on—Trade in goods between Great Britain and the European Union* (4th Report, Session 2021–22, HL Paper 124), paras 80 and 118

7 European Affairs Committee, *The UK-EU relationship in financial services* (1st Report, Session 2022–23, HL Paper 21), para 124

13. We issued our Call for Evidence in July 2022 (see Appendix 3). The deadline for written submissions was 28 October 2022. 58 responses were received.
14. We took oral evidence between October 2022 and March 2023, hearing from 43 witnesses. These included practitioners, experts and stakeholders. During our final oral evidence session we heard from the Minister for Europe, Leo Docherty MP. We are grateful to all of our witnesses, who are listed in Appendix 2.
15. We heard from two panels of witnesses at the *Senedd* in Cardiff. We also visited the Scottish Parliament in Edinburgh where we held several meetings.⁸

This report

16. The remainder of this report is divided into four chapters, focusing in turn on each of the four themes that we covered.
17. **We make this report for debate.**

⁸ European Affairs Committee, 'Edinburgh Visit Notes, January 2023': <https://committees.parliament.uk/publications/38410/documents/191518/default/>

CHAPTER 2: THE POLITICAL, DIPLOMATIC AND INSTITUTIONAL RELATIONSHIP

The overall political relationship

18. Political relations between the UK and the EU have been strained over the period since the TCA came into effect on 31 December 2020.

The impact of the impasse over the Protocol on Ireland/Northern Ireland

19. The Protocol on Ireland/Northern Ireland has been a major source of tension between the UK and the EU since the Withdrawal Agreement was signed in 2020. In January 2021, these tensions were exacerbated over access to supplies of COVID-19 vaccines. The European Commission initially announced that it may invoke provisions of the Protocol to prevent vaccines intended for Ireland from entering the UK through Northern Ireland.⁹ Although the Commission swiftly reversed its position following protests from the UK and Irish governments, some witnesses suggested that this episode was significant in setting an adversarial tone for UK-EU relations.¹⁰
20. The Commission subsequently initiated legal proceedings against the UK relating to the implementation of the Protocol.¹¹ For its part the Government announced, in July 2021, that it wished to seek fresh talks with the EU to address “fundamental concerns” about the Protocol’s operation.¹² In June 2022 the Northern Ireland Protocol Bill, which sought unilaterally to disapply parts of the Protocol, was introduced to Parliament by the Government.¹³ The Commission and individual Member States objected strongly to this legislation, which was widely interpreted within the EU as providing for a breach of the UK’s commitments under the Withdrawal Agreement.¹⁴
21. Witnesses with different political perspectives agreed that the dispute over the Protocol had cast a shadow over the wider UK-EU relationship for much of the past two years. Rt Hon Lord Frost, who had ministerial responsibility for UK-EU relations from March to December 2021 and was previously the Government’s lead negotiator with the EU, told us in October 2022

9 European Commission, *Revised Protocol on Ireland and Northern Ireland included in the Withdrawal Agreement*, Article 16 TF50(2019)64, 17 October 2019: https://commission.europa.eu/system/files/2019-10/revised_withdrawal_agreement_including_protocol_on_ireland_and_northern_ireland.pdf [accessed 25 April 2023]. See more: European Affairs Committee, *Report from the Sub-Committee on the Protocol on Ireland/Northern Ireland: Introductory report* (2nd Report, Session 2021–22, HL Paper 55).

10 Q 10 (Lord Frost) and written evidence from UK in a Changing Europe (UKE0029)

11 European Commission, Press release, ‘Withdrawal Agreement: Commission sends letter of formal notice to the United Kingdom for breach of its obligations under the Protocol on Ireland and Northern Ireland’ (15 March 2021): https://ec.europa.eu/commission/presscorner/detail/en/ip_21_1132 [accessed 25 April 2023]

12 HM Government, *Northern Ireland Protocol: the way forward*, CP 502, (21 July 2021): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1008451/CCS207_CCS0721914902-005_Northern_Ireland_Protocol_Web_Accessible_1_.pdf [accessed 25 April 2023]

13 This progressed through its House of Commons stages and completed Committee stage in the House of Lords. It was then paused and the Government confirmed that it would not be pursuing the legislation following the agreement on the Windsor Framework. See also letter from Lord Jay of Ewelme, Chair of the Protocol on Ireland/Northern Ireland Sub-Committee, to Rt Hon James Cleverly MP, Secretary of State for Foreign, Commonwealth and Development Affairs, 22 November 2022: <https://committees.parliament.uk/publications/31662/documents/177968/default/>

14 European Commission, Press Release: ‘Protocol on Ireland/Northern Ireland: Commission launches four new infringement procedures against the UK’ (22 July 2022): https://ec.europa.eu/commission/presscorner/detail/en/ip_22_4663 [accessed 25 April 2023]

that “Northern Ireland is the major problem, and it is quite hard to see the relationship getting anywhere near where we want it to be until that is fixed”.¹⁵ Former European Commissioner, Rt Hon Lord Mandelson, described the Protocol as the “biggest barrier standing in the way” of improvements to the wider relationship.¹⁶ In a similar vein Rt Hon Lord Hague of Richmond, Foreign Secretary from 2010–14, characterised the impasse as “the biggest bit of grit, a big stone in fact, in the relationship”.¹⁷

22. Over the past two years we have frequently heard that this dispute has had a substantial impact on areas of potential UK-EU cooperation. We had identified numerous examples of such “collateral damage” by summer 2022.¹⁸ These included delays to the UK’s proposed association to Horizon Europe, delays to implementation of electricity trading arrangements envisaged in the TCA and the failure to agree a Memorandum of Understanding on financial services cooperation. UK in a Changing Europe characterised UK-EU relations on such issues as having been put in “cold storage”.¹⁹
23. The dispute over the Protocol led, at one stage, to restrictions on meetings between the Commission and UK interlocutors.²⁰ In autumn 2022 the Bar Council told us that it had “become difficult to meet, let alone discuss substance” with EU officials.²¹ The British Chamber of Commerce in Brussels similarly reported difficulties maintaining a dialogue with the Commission, with meeting requests regularly declined.²²

Other factors affecting the political relationship in 2021 and 2022

24. Some witnesses suggested that the wider dynamics of the political debate around Brexit in the UK had an impact on relations with the EU. Lord Mandelson argued that “sovereignist game playing” had been a feature of the Government’s approach to relations with the EU since the TCA was agreed and that this had provided the EU with “excuses not to think constructively about the relationship it wants with the UK”.²³ He went on to say that there had been a “lack of honesty about what Brexit means and the trade-offs it involves” in the UK.²⁴ Similarly, the European and International Analysts Group suggested that the UK had been “confrontational” in post-Brexit dealings with the EU and that it had “prioritised its sovereignty concerns in a way that has prevented the emergence of compromises”.²⁵
25. The EU’s approach to UK-EU relations was also criticised. The Bar Council indicated that the EU had taken a “rigid approach” to cooperation and that this had arguably been “exaggerated” in some areas, for instance blocking progress on UK association to Horizon Europe and accession to the Lugano Convention on cross-border judicial cooperation.²⁶ Meanwhile, the

15 [Q 1](#) (Lord Frost)

16 [Q 1](#) (Lord Mandelson)

17 [Q 168](#) (Lord Hague)

18 Letter from the Chair to Rt Hon Liz Truss MP, Foreign Secretary (22 June 2022): <https://committees.parliament.uk/publications/38411/documents/191464/default/>

19 Written evidence from UK in a Changing Europe ([UKE0029](#))

20 ‘EU imposes meeting ban on UK officials’, *Euractiv* (10 November 2022): <https://www.euractiv.com/section/uk-europe/news/eu-imposes-meeting-ban-on-uk-officials/> [accessed 25 April 2023]

21 Written evidence from The Bar Council ([UKE0069](#))

22 Written evidence from British Chamber of Commerce EU and Belgium ([UKE0056](#))

23 [Q 1](#) (Lord Mandelson)

24 *Ibid.*

25 Written evidence from European and International Analysts Group ([UKE0012](#))

26 Written evidence from The Bar Council ([UKE0069](#))

European and International Analysts Group described the EU's approach as "dogmatic" and said that it had "sometimes succumbed to a corrosive mistrust of UK motivation".²⁷

26. A common theme in the evidence that we gathered was to highlight distrust as a feature of the relationship in 2021 and 2022.²⁸ Sylvie Bermann, a former French Ambassador to the UK, said that there had been "no trust between EU members, EU institutions and the UK", putting this down to what she characterised as the UK's "refusal to implement the Northern Ireland Protocol".²⁹ Dr Peter Ammon, a former German Ambassador to the UK, suggested that trust had been damaged by "political battles" between the UK and the EU, highlighting the introduction of the Northern Ireland Protocol Bill as having had an especially severe impact on the EU's trust in the UK.³⁰ Lord Mandelson told us that building trust with the EU had not been prioritised by Rt Hon Boris Johnson MP as Prime Minister and that the Government's approach to the Protocol had damaged the UK's reputation as a "responsible international actor".³¹ Lord Frost also acknowledged that there had been a "failure of trust", though he argued that "both sides are to some extent responsible".³²
27. Witnesses variously characterised the state of UK-EU relations in early autumn 2022 as "poor or very poor", "cool and quite fragile", "unstable", "frail at best" and "at a low ebb".³³

The beginnings of a thaw?

28. A gradual improvement in the atmosphere around UK-EU relations has been detectable since autumn 2022. One sign of this was the then Prime Minister's decision to participate in the inaugural meeting of the European Political Community on 6 October 2022. Talks between UK and EU negotiators on the Protocol resumed in the same month, culminating in the agreement on the Windsor Framework, which was announced by the Prime Minister and the President of the Commission on 27 February 2023.³⁴
29. This shift towards a more positive atmosphere for UK-EU cooperation was identified by some of the witnesses that we heard from. Professor Alexander Stubb, a former Prime Minister of Finland, told us that "the overall relationship is thawing".³⁵ Prof Stubb felt that an important factor in facilitating this was the change in the geopolitical context following the Russian invasion

27 Written evidence from European and International Analysts Group ([UKE00012](#))

28 Written evidence from Professor Simon Usherwood ([UKE00020](#)), The Independent Commission on UK-EU Relations ([UKE00021](#)) and European and International Analysts Group ([UKE00012](#))

29 [Q 64](#) (Sylvie Bermann)

30 [Q 65](#) (Peter Ammon)

31 [Q 1](#) (Lord Mandelson)

32 [Q 1](#) (Lord Frost)

33 [Q 1](#) (Lord Mandelson, Lord Frost), written evidence from Professor Simon Usherwood ([UKE00020](#)), The Bar Council ([UKE00069](#)) and Musicians' Union ([UKE00017](#))

34 HM Government, *The Windsor Framework: A new way forward*, CP 806 (27 February 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1138989/The_Windsor_Framework_a_new_way_forward.pdf [accessed 25 April 2023]

The Windsor Framework was formally adopted at the UK-EU Withdrawal Agreement Joint Committee meeting on 24 March 2023. Full implementation will follow over the coming months, including through EU and domestic UK legislation. A Statutory Instrument to implement key provisions of the proposed 'Stormont brake', under which the Northern Ireland Assembly would be able to object to the application of EU proposals in Northern Ireland, was approved by the House of Commons and the House of Lords on 22 and 29 March, respectively.

35 [Q 14](#) (Prof Alexander Stubb)

of Ukraine, which he said had “brought us much closer”.³⁶ When he gave evidence in January 2023, Lord Hague described the relationship as in a “stage of slow improvement”, suggesting that “a lot of good work has gone on, particularly since September [2022], to improve relations”.³⁷

30. The initial reactions to the Windsor Framework from the Government and the Commission suggested that this breakthrough could pave the way for greater progress in some of the areas of potential UK-EU cooperation that have been blocked over the past two years. The Prime Minister referred to there being “many areas of co-operation that we can and should have with the European Union”.³⁸ Meanwhile, the President of the Commission indicated that she would be “happy to start immediately the work” on an agreement for UK association to Horizon Europe once the Windsor Framework is in force.³⁹ A Commission spokesperson also indicated that the EU would be “ready to start work” on finalising the proposed MoU on financial services cooperation.⁴⁰
31. This positive approach to the potential for UK-EU cooperation was also reflected in evidence we heard from Leo Docherty MP, Minister for Europe at the Foreign, Commonwealth and Development Office, in March 2023. Mr Docherty told us that the Government was “eager for collaboration” and that “a lot of the best outcomes, whether it be diplomacy or security, are through alliance”.⁴¹
32. Many of our witnesses argued that it is now time for the UK and the EU to put aside differences that have arisen in the context of Brexit and engage in more extensive cooperation, in particular in the context of current and future geopolitical challenges. For instance, Lord Hague emphasised that Brexit was now “done” and the focus of the UK and the EU should be on “the frameworks for the future”.⁴² He stressed that the future reconstruction of Ukraine and future security guarantees to Ukraine will “require closer and more intimate cooperation between the UK and the EU without compromising UK sovereignty”.⁴³ Prof Stubb similarly identified common challenges that have arisen from the Ukraine conflict and said that it is “time to move on” from the debate about Brexit.⁴⁴ Meanwhile, Lord Frost, referring to the loss of trust between the UK and the EU, said that “[w]e need to put that behind us and find solutions that can last”. He expressed hope that, following a resolution to the dispute over the Protocol, the UK and the EU could “move on to something better”.⁴⁵

36 *Ibid.*

37 [Q 168](#) (Lord Hague)

38 HC Deb, 27 February 2023, [col 570](#)

39 President of the European Commission Ursula von der Leyen, ‘Statement at the joint press conference with UK Prime Minister Rishi Sunak’, 27 February 2023: https://ec.europa.eu/commission/presscorner/detail/en/statement_23_1270 [accessed 25 April 2023]

40 ‘City of London hopes for EU thaw after Northern Ireland deal’ *Bloomberg UK* (8 March 2023): <https://www.bloomberg.com/news/articles/2023-03-08/city-of-london-hopes-for-brexithaw-after-northern-ireland-deal?leadSource=uverify%20wall> [accessed 25 April 2023]

41 [Q 189](#) (Leo Docherty MP)

42 [Q 169](#) (Lord Hague)

43 *Ibid.*

44 [Q 14](#) (Prof Alexander Stubb)

45 [Q 1](#) (Lord Frost)

Future challenges

33. It should not be assumed that the agreement on the Windsor Framework will, by itself, remove all sources of possible tension from the UK-EU relationship. Some of those who submitted evidence highlighted the potential for the Retained EU Law (Revocation and Reform) Bill, before Parliament at the time of writing, to have an impact on the bilateral relationship.⁴⁶ We were told that some resulting divergence from EU law, for instance in areas such as environmental and social regulation, may be viewed as a breach of the UK's obligations under the TCA by the EU.⁴⁷ As the Government has not specified which retained EU law it proposes to revoke or reform, and which it proposes to restate, the extent to which divergence resulting from the legislation will impact on UK-EU relations in practice is not yet clear.
34. The Illegal Migration Bill, which was introduced to Parliament by the Government in March 2023, may also have implications for UK-EU relations. Ylva Johansson, the European Commissioner with responsibility for home affairs has indicated that she considers this legislation to be “unlawful”, while the Home Secretary was herself not able to certify its compatibility with the European Convention on Human Rights.⁴⁸ In this context it should be noted that the provisions of the TCA providing for cooperation on law enforcement can be terminated in the event of either Party's denunciation of the European Convention on Human Rights⁴⁹ or suspended following a “serious and systemic” deficiency in their protection.⁵⁰
35. Ongoing policy developments in the EU may also affect aspects of the UK-EU relationship in the future.⁵¹ Our attention was drawn, for example, to a proposed new border entry/exit system, the expansion of the EU Emissions Trading Scheme and the planned introduction of a Carbon Border Adjustment Mechanism, which is discussed in more detail in Chapter 4 of this report.⁵²

Conclusions and recommendations

36. **We deeply regret that the political relationship between the UK and the EU was characterised by tension and mistrust for the first two years after the TCA came into force. The state of relations during this period was highly unsatisfactory for one of the UK's closest and most important external relationships.**

46 Written evidence from UK in a Changing Europe ([UKE0029](#)), UK Environmental Law Association ([UKE0036](#)) and Wales Civil Society Forum ([UKE0062](#))

47 Written evidence from UK in a Changing Europe ([UKE0029](#))

48 ‘EU tells Rishi Sunak small boats plan ‘violates international law’’, *The Independent* (9 March 2023): <https://www.independent.co.uk/news/uk/politics/brexit-eu-sunak-braverman-small-boats-b2297133.html> (accessed 25 April 2023) and [Explanatory Notes to the Illegal Migration Bill](#) [Bill 262 (2022–23)-EN]

49 Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland, of one part, and the European Union and the European Atomic Energy Community, of the other part (30 December 2020), Article 692(2): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/982648/TS_8.2021_UK_EU_EAEC_Trade_and_Cooperation_Agreement.pdf [accessed 25 April 2023]

50 *Ibid.*, Article 693

51 In 2022, together with the House of Commons European Scrutiny Committee, we reached an agreement with the Government on arrangements for parliamentary scrutiny of EU proposals that may have implications for the UK. See: European Affairs Committee, *Future Scrutiny Arrangements for EU-Related Business report* (3rd Report, Session 2022–23, HL Paper 92)

52 [Q 148](#) (Luke Petherbridge), [Q 94](#) (Dr Caroline Kuzemko) and [Q 92](#) (Ed Birkett)

37. **We welcome the change in the mood around UK-EU relations since autumn 2022, and especially since the agreement on the Windsor Framework was concluded in February 2023. We urge the Government and the EU to seize the opportunities that these developments present to prioritise a systematic and lasting effort at developing a more cooperative relationship and rebuilding mutual trust. This should include concluding specific cooperation agreements as soon as possible where these had previously been blocked due to the dispute over the Protocol on Ireland/Northern Ireland, for example on UK association to Horizon Europe, electricity trading and financial services.**
38. **The past two years have highlighted the importance of mutual trust to a cooperative relationship between the UK and the EU. As an essential step towards rebuilding trust, the Government must ensure that it seeks to maintain a regular dialogue with the EU institutions at all levels. At the core of this will be more regular use of the existing institutional framework established under the Withdrawal Agreement and the TCA.**
39. **It is inevitable that policy developments in each of the UK and the EU will sometimes have implications for the other partner in the relationship. Where this is the case, it is imperative that the Government and the European Commission engage with one another through the relevant institutional forums from as early a stage as possible in the respective UK and EU policy processes, with the aim of addressing any potential issues before they escalate into significant disputes. Issues of this sort cannot be solved solely through contact with Member States.**
40. **It is also important that parliamentary select committees are able to scrutinise the potential implications of policy developments in the UK and the EU for UK-EU relations. We thank the Government for reaching an agreement with this Committee, and with the European Scrutiny Committee in the House of Commons, to help facilitate this.**

The institutional framework

41. The institutional framework for UK-EU relations includes a total of 32 committees and working groups that bring together the Government and the Commission, established under the Withdrawal Agreement and the TCA. The most senior bodies within this structure are the Joint Committee (for the Withdrawal Agreement) and the Partnership Council (for the TCA), each co-chaired by a Cabinet minister and a European Commissioner. The groups that sit below these are official-level bodies that focus on specific topics covered by the agreements. The TCA also provided a framework for the Parliamentary Partnership Assembly (PPA), comprised of delegations from the UK Parliament and the European Parliament, and the Civil Society Forum (CSF), consisting of representatives of non-governmental organisations, businesses and trade unions in the UK and the EU.
42. A more detailed summary of these arrangements was provided by the former European Union Committee. It described the institutional framework as an “elaborate double-headed structure”, given the establishment of two separate

leadership bodies and sets of sectoral groups.⁵³ It concluded that it was likely that such breadth and complexity would “prove challenging” over time and suggested that there may be a case for “simplifying and rationalising” the structure in due course.⁵⁴

The operation of the institutional framework to date

43. Tables 1 and 2 indicate the number of meetings of the committees established under the Withdrawal Agreement and the TCA to date, and the dates of the most recent meetings. The Joint Committee has now met 10 times. Most of the Specialised Committees established under the Withdrawal Agreement have also met relatively often. However, the Partnership Council has met only twice, on 9 June 2021 and 24 March 2023. Most of the subject-specific TCA Specialised Committees have also met infrequently, typically once in 2021 and once in 2022, with only the Specialised Committees on Energy and Fisheries having met more than twice.

Table 1: Meetings of institutions established under the Withdrawal Agreement

Committee	Number of meetings	Date of most recent meeting
Joint Committee	10	24 March 2023
Specialised Committee on Citizens’ Rights	11	17 November 2022
Specialised Committee on Other Separation Provisions	2	27 November 2020
Specialised Committee on Protocol on Ireland/Northern Ireland	10	8 March 2022
Specialised Committee on the Protocol on Gibraltar	3	16 April 2021
Specialised Committee on the Protocol on the Sovereign Base Areas of the UK in Cyprus	4	18 July 2022
Specialised Committee on Financial Provisions	6	18 October 2022

Source: Foreign, Commonwealth & Development Office and the Cabinet Office, ‘Withdrawal Agreement Joint Committee’: <https://www.gov.uk/government/collections/withdrawal-agreement-joint-committee> [accessed 25 April 2023]

Table 2: Meetings of institutions established under the Trade and Cooperation Agreement

Committee	Number of meetings	Date of most recent meeting
Partnership Council	2	24 March 2023
Trade Partnership Committee	2	1 December 2022

53 European Union Committee, *Beyond Brexit: The institutional framework* (21st Report, Session 2019–21, HL Paper 246), para 51

54 *Beyond Brexit: The institutional framework*, para 67

Committee	Number of meetings	Date of most recent meeting
Trade Specialised Committee on Goods	2	5 October 2022
Trade Specialised Committee on Customs Cooperation and Rules of Origin	1	7 October 2021
Trade Specialised Committee on Sanitary and Phytosanitary Measures	2	19 October 2022
Trade Specialised Committee on Technical Barriers to Trade	2	24 October 2022
Trade Specialised Committee on Services, Investment and Digital Trade	2	20 October 2022
Trade Specialised Committee on Intellectual Property	2	10 October 2022
Trade Specialised Committee on Public Procurement	1	12 October 2021
Trade Specialised Committee on Regulatory Cooperation	2	26 October 2022
Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development	2	12 October 2022
Trade Specialised Committee on Administration of VAT and Recovery of Taxes and Duties	1	15 December 2021
Specialised Committee on Social Security Coordination	2	30 June 2022
Specialised Committee on Energy	3	28 September 2022
Specialised Committee on Fisheries	5	21 October 2022
Specialised Committee on Law Enforcement and Judicial Cooperation	2	13 October 2022
Specialised Committee on Air Transport	2	28 June 2022
Specialised Committee on Aviation Safety	2	14 November 2022
Specialised Committee on Road Transport	2	21 November 2022
Specialised Committee on Participation in Union Programmes	2	22 September 2022

Source: Foreign, Commonwealth & Development Office and the Cabinet Office, 'Trade and Cooperation Agreement Governance': <https://www.gov.uk/government/collections/trade-and-cooperation-agreement-governance> [accessed 25 April 2023]

44. Some witnesses who provided evidence about these institutional structures emphasised the impact of the wider state of the UK-EU relationship on their

work so far.⁵⁵ Lord Frost, who had oversight of these structures while in Government, told us that these bodies had “worked reasonably well” but had “been subject to a degree of external strain that was probably not expected at first”.⁵⁶ Meanwhile, Professor Simon Usherwood, an expert on the UK-EU institutional relationship, felt in October 2022 that the machinery was “working as well as can be expected under the prevailing political climate” and attributed the limited activity of many of the forums to a lack of “political will”.⁵⁷

45. The Minister for Europe told us that the Government was “satisfied” with the institutional architecture.⁵⁸ He indicated that there had been some “slowing down” of cooperation because of the dispute over the Protocol, but he anticipated that there would be an “increased tempo” to engagement in these forums following the agreement on the Windsor Framework.⁵⁹ The Minister also stressed that the Government engages with the EU in non-structured formats, which he considered “equally important”.⁶⁰
46. Contrary to the Minister’s view, Lord Mandelson and Lord Hague each suggested to us that the current institutional framework was insufficient to foster a deeper habit of cooperation between the UK and the EU. Lord Mandelson argued that the official-level Specialised Committees and working groups “take us only so far” and do not in themselves support “the development of habits of working together to solve common problems”.⁶¹ Meanwhile, Lord Hague said that it was “good that there are such committees, but it does not meet the need for close, senior-level, institutionalised co-operation that ideally ought to exist”.⁶² He proposed the establishment of “simple and senior-level structures” that would be focused on addressing “complex geopolitical challenges”.⁶³
47. Despite the large number of existing committees and working groups, some of those we heard from identified gaps in these structures, as a consequence of the focus on areas of cooperation specifically identified in the agreements. For example, there are no dedicated forums to discuss environmental and climate change policies, data protection or financial services.⁶⁴ Some witnesses also referred to the US-EU Trade and Technology Council (TTC), which was established in 2021 with the aim of fostering cooperation on issues related to trade and technology, noting that there was no UK-EU body focused on equivalent issues.⁶⁵ This is discussed further in Chapter 3.

55 Written evidence from The Independent Commission on UK-EU Relations ([UKE00021](#)) and UK in a Changing Europe ([UKE0029](#))

56 [Q 5](#) (Lord Frost)

57 Written evidence from Professor Simon Usherwood ([UKE00020](#))

58 [Q 191](#) (Leo Docherty MP)

59 *Ibid.*

60 *Ibid.*

61 [Q 5](#) (Lord Mandelson)

62 [Q 169](#) (Lord Hague)

63 *Ibid.*

64 Written evidence from UK in a Changing Europe ([UKE0029](#)), Institute for European Environmental Policy ([UKE0046](#)), E3G ([UKE0038](#)) and [Q 114](#) (Dustin Benton)

65 European Commission, ‘Digital in the EU-US Trade and Technology Council’: <https://digital-strategy.ec.europa.eu/en/policies/trade-and-technology-council> (accessed 25 April 2023), [Q 36](#) (Dr Rosa Balfour) and [Q 47](#) (Lord Ricketts)

The role of the devolved institutions

48. During our visit to Cardiff and Edinburgh we heard concerns about the limited involvement of the UK's devolved political institutions within the institutional framework for UK-EU relations.⁶⁶ Dr Elin Royles, Senior Lecturer in International Politics at Aberystwyth University, explained that while the UK was a member of the EU there had been a “clear structure” that enabled the devolved administrations to contribute to the development of UK positions at the Council and sometimes to represent the UK in meetings.⁶⁷ However, this structure has not been replicated for the institutions established under the Withdrawal Agreement and the TCA, and we were told that this was contributing to “frustration” within the devolved administrations.⁶⁸ Rt Hon Angus Robertson MSP, Cabinet Secretary for Constitution, External Affairs and Culture in the Scottish Government, said that when the UK Government engaged with the EU the position of the Scottish Government was “just not part of the script”, even on topics such as energy policy where there is a strong Scottish interest.⁶⁹
49. In 2022 a new set of Interministerial Groups (IMGs) covering a wide range of policy areas were established to provide for regular engagement between the UK and devolved governments on matters of mutual interest.⁷⁰ However, we were told that the IMGs were not currently linked to the Withdrawal Agreement and TCA committees. Dr Royles indicated that it was “unclear how the different structures work coherently together”.⁷¹
50. The Welsh Government has previously expressed concerns that requests to attend meetings of the Joint Committee when the Protocol on Ireland/Northern Ireland is on the agenda, on the grounds that it had a strong interest due to the implications of the Protocol for Welsh ports, have been refused by the UK Government. It has also described its observer status at meetings of the Partnership Council as “unsatisfactory”, calling instead for full participation rights. The Senedd Legislation, Justice and Constitution Committee endorsed these Welsh Government positions in evidence submitted to us.⁷²

The potential for UK-EU summits

51. The former European Union Committee expressed regret at the absence of any provision in the TCA for formal UK-EU summits, which would ensure

66 European Affairs Committee, ‘Edinburgh Visit Notes, January 2023’: <https://committees.parliament.uk/publications/38410/documents/191518/default/>, Q 163 (Charles Whitmore). Arrangements for attendance of representatives of the devolved administrations at some meetings is facilitated at the discretion of the UK Government. See letter from Lord Frost to Rt Hon Arlene Foster MLA, First Minister, Northern Ireland Executive, Michelle O’Neill MLA, deputy First Minister, NI Executive, Rt Hon Angus Robertson MSP, Cabinet Secretary for the Constitution, External Affairs and Culture, Scottish Government and Mick Antoniw MS, Counsel General and Minister for the Constitution, Welsh Government (27 May 2021): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/990199/Letter_from_Lord_Frost_on_engagement_regarding_EU_matters.pdf [accessed 25 April 2023]

67 Q 163 (Dr Elin Royles)

68 *Ibid.*

69 European Affairs Committee, ‘Edinburgh Visit Notes, January 2023’: <https://committees.parliament.uk/publications/38410/documents/191518/default/>

70 Cabinet Office and Department for Levelling Up, Housing and Communities, *Review of intergovernmental relations* (13 January 2022): <https://www.gov.uk/government/publications/the-review-of-intergovernmental-relations> [accessed 25 April 2023]

71 Q 163 (Dr Elin Royles)

72 Written evidence from the Senedd Legislation, Justice, Constitution Committee (UKE0033)

regular prime ministerial and ministerial-level dialogue with EU leaders.⁷³ In February 2021 Lord Frost told that Committee that there was no need for a treaty provision for summits as these would “happen naturally and organically”.⁷⁴ However, no UK-EU summits have happened so far. This contrasts with the regular programme of summits that the EU holds with other major third country partners including Canada, Japan and the United States of America.

52. Several witnesses felt that there would be value in regular UK-EU summits. Lord Hague told us that anticipation of international summits “drives decisions and creates an incentive for officials and Ministers to reach agreement”.⁷⁵ Meanwhile, Lord Mandelson suggested that UK-EU summits could have “symbolic value” and that “the good will, if it engendered that, might cascade downwards to other relationships”.⁷⁶ Lord Frost also felt that regular summits could be a “useful focal point” for the relationship, although he did not see establishing them as an “immediate priority”.⁷⁷
53. The Minister for Europe told us that the Government was “open” to the possibility of UK-EU summits.⁷⁸ He agreed with other witnesses that such events “are useful opportunities to accelerate work in advance and focus minds”.⁷⁹
54. In considering the merits of holding summits with major bilateral partners we would highlight the success of the Anglo-French summit, held in Paris on 10 March 2023, which was the first such event for five years. This event was not only of symbolic value as a demonstration of a renewed prioritisation of the Anglo-French relationship on both sides of the Channel, but it also led to significant policy outcomes on issues such as defence cooperation and facilitating school visits.⁸⁰

Parliamentary Partnership Assembly

55. The PPA has now met twice, in Brussels on 12–13 May 2022 and in London on 7–8 November 2022.⁸¹
56. Each meeting has provided opportunities for members of the respective legislatures to engage with each other, as well as with representatives of the Government and the Commission. The Joint Statement by the Co-Chairs following the first meeting referred to a “constructive and open dialogue”.⁸² UK in a Changing Europe noted that findings had fed into the work of select committees in both the House of Commons and the House of Lords.⁸³ At the

73 *Beyond Brexit: The institutional framework*, para 73

74 Oral evidence taken before the Select Committee on the European Union, inquiry on Future UK-EU relations: governance, 9 February 2021 (Session 2019–21), [Q 25](#) (Lord Frost)

75 [Q 170](#) (Lord Hague)

76 [Q 6](#) (Lord Mandelson)

77 [Q 6](#) (Lord Frost)

78 [Q 194](#) (Leo Docherty MP)

79 *Ibid.*

80 Prime Minister’s Office, 10 Downing Street, *UK-France Joint Leaders’ Declaration* (10 March 2023): <https://www.gov.uk/government/publications/uk-france-joint-leaders-declaration/uk-france-joint-leaders-declaration> [accessed 25 April 2023]

81 Several Members of this Committee are also part of the UK delegation to the PPA, including the Chair, who is a Vice-Chair of the PPA.

82 UK Parliament, *First Joint Statement by Co-Chairs of the UK-EU Parliamentary Partnership Assembly* (13 May 2022): <https://www.parliament.uk/business/news/2022/may-2022/joint-statement-released-by-co-chairs-of-the-uk-eu-parliamentary-partnership-assembly/> [accessed 25 April 2023]

83 Written evidence from UK in a Changing Europe ([UKE0029](#))

second meeting in London a recommendation was agreed concerning UK-EU energy cooperation.⁸⁴ A series of “breakout groups” were also held on specific topics, with conclusions from these sent to the Partnership Council.⁸⁵

57. The PPA is established under the TCA as a forum “consisting of Members of the European Parliament and Members of the Parliament of the United Kingdom”.⁸⁶ Members of the devolved legislatures have attended each of the first two meetings in an observer capacity. In written evidence submitted following the first meeting the Senedd Legislation, Justice and Constitution Committee indicated that observer status was “unsatisfactory” and called for “further active participation” in future meetings.⁸⁷ At the second meeting they had new opportunities to participate, including a session where they addressed the PPA plenary as guest speakers as well as participating in the breakout groups.

Civil society institutions

58. The civil society institutions were somewhat slower to become established than other parts of the institutional framework. Only one meeting of the CSF has taken place so far.⁸⁸ Respective EU and UK Domestic Advisory Groups (DAGs) have also been set up, comprised of representatives of businesses, non-governmental organisations and trade unions.
59. Witnesses with experience of the civil society institutions raised some concerns with us about how participation in these has been organised on the UK side. Charles Whitmore, Coordinator of the Wales Civil Society Forum on Brexit, noted that it had been a “challenge for the UK to put these things in place” since the EU has far greater experience of such institutions.⁸⁹ He identified resourcing as a particular problem, since participation is unfunded by the Government, and told us that some UK participants had struggled to attend the inaugural meeting of the CSF for this reason.⁹⁰ In contrast, EU participants receive funding from the European Economic and Social Committee. Irene Oldfather, Vice-Chair of the UK DAG, indicated to us that this had created an “unfair differential” between the UK and EU DAGs.⁹¹ We were also told that there had been an “imbalance of representation” in

84 UK Parliament, *UK-EU Parliamentary Partnership Assembly: Recommendation concerning UK-EU energy cooperation*: <https://www.parliament.uk/mps-lords-and-offices/offices/delegations/uk-eu-parliamentary-partnership-assembly-delegation/uk-parliament-to-host-session-of-uk-eu-parliamentary-partnership-assembly/recommendation-concerning-uk-eu-energy-cooperation/> [accessed 25 April 2023]

85 UK Parliament, *Second meeting of the UK-EU Parliamentary Partnership Assembly, Statement by the Co-Chairs*: <https://www.parliament.uk/mps-lords-and-offices/offices/delegations/uk-eu-parliamentary-partnership-assembly-delegation/uk-parliament-to-host-session-of-uk-eu-parliamentary-partnership-assembly/second-meeting-of-the-uk-eu-parliamentary-partnership-assembly/> [accessed 25 April 2023]

86 Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland, of one part, and the European Union and the European Atomic Energy Community, of the other part (30 December 2020), Article 11(1): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/982648/TS_8.2021_UK_EU_EAEC_Trade_and_Cooperation_Agreement.pdf [accessed 25 April 2023]

87 Written evidence from Senedd Legislation, Justice and Constitution Committee (UKE0033)

88 Foreign, Commonwealth and Development Office, *First Civil Society Forum of the UK-EU Trade and Cooperation Agreement* (4 October 2022): <https://www.gov.uk/government/publications/uk-eu-trade-and-cooperation-agreement-civil-society-forum-2022/first-civil-society-forum-of-the-uk-eu-trade-and-cooperation-agreement-4-october-2022-conclusions> [accessed 25 April 2023]

89 Q 165 (Charles Whitmore)

90 *Ibid.*

91 European Affairs Committee, ‘Edinburgh Visit Notes, January 2023’: <https://committees.parliament.uk/publications/38410/documents/191518/default/>

the initial composition of the UK DAG, with business and private sector organisations far outnumbering representatives of other parts of civil society, although some steps have since been taken to address this.⁹²

Conclusions and recommendations

60. **We regret that to date most of the committees and working groups established under the TCA have met infrequently and considered little substantive business. A considerable increase in both the intensity of activity within these institutional structures and the significance of the outcomes of this activity should be a key component of a wider reset of UK-EU relations if the aims of the TCA are to be achieved. Closer involvement of UK Ministers and EU Commissioners in the work of these groups, and in particular those covering critical areas of cooperation such as trade and energy, will be required to provide the impetus necessary for this.**
61. **It is indicative of the inactivity of the institutions established under the TCA that the Partnership Council, the senior-level body that oversees implementation of the agreement, has met only twice in the almost two-and-a-half years since the TCA came into force, with the second of these meetings not taking place until March 2023. We recommend that this body should meet, at a bare minimum, twice per year. It should also meet at short notice wherever issues that require input from the UK Ministers and EU Commissioners responsible for UK-EU relations arise in other forums.**
62. **In order for the institutions to work efficiently and effectively it is important both that Ministers and Commissioners provide the necessary political momentum and that officials are encouraged to prepare the detailed decisions to be taken by the Joint Committee and the Partnership Council. Neither condition has so far been fully met.**
63. **The current double-headed system of committees and working groups may not prove to be the most efficient or effective system for managing the UK-EU relationship in the longer-term, given its complexity and that it does not cover important policy areas in which cooperation may develop in the future. We recommend that, when the TCA is reviewed in 2025, consideration should be given to moving towards a single structure of committees covering all major areas of cooperation.**
64. **We consider it important that the UK's devolved administrations are able to contribute effectively to the institutional structures for UK-EU relations. To help facilitate this, we recommend that relevant Interministerial Groups should be convened routinely in advance of meetings of the UK-EU institutions, to enable the devolved governments to feed in their views. We also recommend that Ministers and officials from the devolved administrations should continue to be invited to participate as members of the UK delegation at meetings of the institutions where matters within devolved competence are on the agenda.**

92 Written evidence from Wales Civil Society Forum ([UKE0062](#))

65. **We recommend that regular UK-EU summits should be held as a focus for political and diplomatic engagement, including at the level of the Prime Minister and the Presidents of the Commission and the European Council. Such summits would also facilitate engagement between Cabinet ministers and European Commissioners with equivalent responsibilities. We urge the Government to approach the EU without further delay with a proposal to host an inaugural summit in the UK before the end of 2023.**
66. **We welcome that two productive meetings of the Parliamentary Partnership Assembly have now taken place. We anticipate that this institution will play an important role in wider efforts to rebuild the relationship between the UK and the EU as it continues to develop over the next few years. The practice of inviting members of the devolved legislatures to meetings of the PPA, and facilitating opportunities for them to contribute, should be continued.**
67. **While we welcome that the civil society institutions established under the TCA are now operational, we note the concerns that have been expressed to us about the current arrangements for participation of UK civil society organisations, including the absence of funding to support attendance at meetings. We ask the Government to discuss this matter with UK civil society representatives as a priority ahead of the second meeting of the Civil Society Forum, with the aim of ensuring that UK representatives are able to participate on an equivalent basis to their EU counterparts.**

The European Political Community

The EPC and UK-EU relations

68. There had initially been some uncertainty over whether the then UK Prime Minister, Rt Hon Liz Truss MP, would participate in the new European Political Community (EPC) (see Box 1). However, Ms Truss ultimately decided to embrace the EPC. On the day of the inaugural meeting in Prague, she wrote a newspaper article in which she said that it was “right that we find common cause with our European friends and allies”, highlighting security, energy and migration as issues on which she wished to cooperate with other participants.⁹³

93 ‘Time to find common cause with our European friends’, *The Times* (6 October 2022): <https://www.thetimes.co.uk/article/liz-truss-time-to-find-common-cause-with-our-european-friends-m09kjt5wl> [accessed 25 April 2023]

Box 1: The European Political Community

The European Political Community (EPC) was established in 2022 to bring together EU Member States and other European countries. A leading advocate of this initiative was the President of France, Emmanuel Macron. In May 2022, President Macron proposed that this body “would allow democratic European nations that subscribe to our shared core values to find a new space for political and security cooperation, cooperation in the energy sector, in transport, investments, infrastructures, the free movement of persons and in particular of our youth”.⁹⁴ He specifically indicated that the new institution would “not be closed to those who have left the EU”, signalling that he envisaged the UK being invited to participate.

The inaugural meeting of the EPC was held in Prague on 6 October 2022. The participants were the heads of government of all EU Member States and 17 other European countries, including the UK, as well as the Presidents of the Commission and the European Council. The agenda included discussions on peace and security, energy, climate and the economic situation.⁹⁵ There were also opportunities for bilateral engagements.

It has been agreed that biannual EPC summits will be held over the next two years. The second meeting will take place in Moldova on 1 June 2023, the third in Spain later in 2023 and the fourth in the UK in the first half of 2024.

69. The then Prime Minister’s attendance at the Prague summit was productive: progress was made towards a Memorandum of Understanding on UK engagement with the North Seas Energy Cooperation, which was subsequently signed in December 2022 (discussed further in Chapter 4); several bilateral meetings were held with European leaders; and, a meeting between Ms Truss and President Macron led to commitments to deepen Anglo-French cooperation on energy and on tackling “illegal migration”.⁹⁶
70. Several of our witnesses saw the EPC as providing an opportunity for the UK to re-engage with the EU and its Member States. For example, Prof Stubb commented that “for me, one of the key elements of the EPC is to get the United Kingdom as closely involved as possible in as many areas as possible”.⁹⁷ He added that he felt it was important for the UK to “not only be involved, but to take leadership in this project”, and highlighted in particular the UK’s strengths in defence and security, which had come to the fore during the response to the Russian invasion of Ukraine.⁹⁸ Similarly, Ms Bermann described the EPC as a “way for the UK to be back in [European] forums”.⁹⁹ Dr Ammon indicated to us that in Germany the UK’s participation in the Prague meeting, and its offer to host one of the forthcoming summits, were seen as a “signal from London that the UK wants to keep channels of

94 French Presidency of the Council of the European Union, ‘Speech by Emmanuel Macron at the closing ceremony of the Conference on the Future of Europe’ (10 May 2022): <https://presidence-francaise.consilium.europa.eu/en/news/speech-by-emmanuel-macron-at-the-closing-ceremony-of-the-conference-on-the-future-of-europe/> [accessed 25 April 2023]

95 European Council, *Meeting of the European Political Community* (6 October 2022): <https://www.consilium.europa.eu/en/meetings/international-summit/2022/10/06/> [accessed 25 April 2023]

96 Prime Minister’s Office, 10 Downing Street, Press Release: ‘UK-France Joint Statement’ (6 October 2022): <https://www.gov.uk/government/news/uk-france-joint-statement-6-october-2022> [accessed 25 April 2023]

97 Q 15 (Prof Alexander Stubb)

98 *Ibid.*

99 Q 66 (Sylvie Bermann)

communications with European countries open, which are countries that share the same values”.¹⁰⁰

71. Lord Hague described participation as an “opportunity for the UK”, adding that in a “changed world” where cooperation on issues such as energy had become more important, “it is a good idea for there to be a body that includes the EU countries and some 17 other countries that are not in the EU”.¹⁰¹ Lord Mandelson took a similar view, telling us that the EPC is a “good forum and potentially a mechanism to advance cooperation on energy, security, migration and other issues”.¹⁰² He felt that UK participation was also “a chance for us to rebuild trust with our neighbours and to foster a more strategic and common interest across Europe’s nations”.¹⁰³ Lord Frost also saw the EPC as a “potentially useful body”, going on to say that it “seems right that Europeans should have a way of getting together in a reasonably systematic way nowadays”.¹⁰⁴
72. Our expert witnesses agreed that the UK’s participation in the EPC was welcome. Sophia Gaston, Head of Foreign Policy at Policy Exchange, told us that it was “absolutely the right thing” for the Prime Minister to attend.¹⁰⁵ In her view UK participation reflected a “broader shift in thinking” within the Government, towards “an understanding that we have to accept the legitimacy of the EU as an institution”.¹⁰⁶ Professor Malcolm Chalmers, Deputy Director-General at the Royal United Services Institute (RUSI), described the EPC as a “modest” but “important” step, noting that UK participation reflected “a degree of flexibility on both the UK and the EU side”.¹⁰⁷
73. Other witnesses, however, expressed reservations about the extent to which the EPC would have a role to play in the direct relationship between the UK and EU. For instance, Lord Ricketts, a former National Security Adviser, Permanent Secretary at the Foreign Office and UK Ambassador to France, argued that the EPC was a “useful gathering of the wider European community of nations”, but stressed that it will be “in no way a substitute for UK-EU consultations”.¹⁰⁸ He noted that the EPC was only expected to meet every six months and that it did not currently have a secretariat. Despite identifying significant benefits to the UK from participating in the EPC, Lord Mandelson also felt that it would “not play a key part in UK-EU relations”.¹⁰⁹
74. The Minister for Europe’s assessment was that the EPC is “very important in terms of our relations with the EU”.¹¹⁰ He indicated that the output of the Prague summit had been “extremely useful” and emphasised that the Government wanted to “make it a good opportunity for the UK to host in 2024”.¹¹¹

100 [Q 67](#) (Peter Ammon)

101 [Q 174](#) (Lord Hague)

102 [Q 8](#) (Lord Mandelson)

103 *Ibid.*

104 [Q 8](#) (Lord Frost)

105 [Q 25](#) (Sophia Gaston)

106 [Q 27](#) (Sophia Gaston)

107 [Q 25](#) (Prof Malcolm Chalmers)

108 [Q 54](#) (Lord Ricketts)

109 [Q 8](#) (Lord Mandelson)

110 [Q 199](#) (Leo Docherty MP)

111 *Ibid.*

The future of the EPC

75. Several witnesses considered that, especially from the perspective of encouraging UK participation, it would be desirable for the EPC to remain a relatively informal intergovernmental body, with institutionalisation kept to a minimum. Prof Stubb said that he would be “very careful about institutionalising it, because the more institutionalised it becomes, the more contentious it becomes, especially in the United Kingdom”.¹¹² Lord Frost expressed a similar view, saying that “deep institutionalisation” would “scare off participants and should be avoided”.¹¹³ Meanwhile, Ms Bermann argued that it should “remain like it is, very informal, meeting every six months”.¹¹⁴
76. In correspondence with us, the Foreign Secretary has previously indicated that the Government believes that the programme of meetings should “minimise institutionalisation, adopting only what is needed to progress outcomes”.¹¹⁵ He stressed the value of the “opportunity for candid discussions between leaders representing the breadth of the continent”.
77. The group of countries that participate in the EPC is very similar to the membership of the Council of Europe (CoE), which led to some concerns following the Prague summit that the EPC would duplicate aspects of the CoE’s role.¹¹⁶ However, witnesses emphasised to us that the EPC and the CoE have distinct remits, with the latter having a focus pursuant to its founding treaty on human rights, democracy and the rule of law.¹¹⁷ Prof Chalmers went as far as to describe the EPC and the Council of Europe as “entirely complementary”.¹¹⁸ The Minister for Europe agreed with this assessment.¹¹⁹

Conclusions and recommendations

78. **We welcome the then Prime Minister’s decision to attend the inaugural EPC summit in Prague. This was a strong symbol of a renewed intention for the UK to engage positively with European partners, including EU Member States, other non-members of the EU and the EU institutions, on matters of common interest. The outcomes from the first summit have already demonstrated that the EPC can be a productive forum for securing progress on important issues.**
79. **We believe that the UK should play as full a part as possible in the EPC and therefore welcome the fact that it will be hosting the fourth summit, in 2024. We look forward to this event, which should be an excellent opportunity for the Government to drive pan-European cooperation on issues of particular interest to the UK and to demonstrate a constructive approach to the UK’s relations with wider European partners.**
80. **We nevertheless stress that participation in the EPC cannot in itself be a substitute for enhanced bilateral engagement with the EU through**

112 [Q 16](#) (Prof Alexander Stubb)

113 [Q 8](#) (Lord Frost)

114 [Q 67](#) (Sylvie Bermann)

115 Letter from Rt Hon James Cleverly MP, Foreign Secretary to the Chair (12 January 2023): <https://committees.parliament.uk/publications/38412/documents/191480/default/>

116 [Q 8](#) (Lord Foulkes)

117 [Q 8](#) (Lord Mandelson, Lord Frost), [Q 54](#) (Lord Ricketts) and [Q 174](#) (Lord Hague)

118 [Q 25](#) (Prof Malcolm Chalmers)

119 [Q 200](#) (Leo Docherty MP)

the institutions established under the Withdrawal Agreement and the TCA, or for dedicated UK-EU summits.

81. **We agree with several of our witnesses that it would be desirable for the EPC to remain a relatively informal, intergovernmental body. If it were to become more heavily institutionalised, it is likely that it would be more difficult to maintain the support of such a wide group of participants, which is a key advantage of the current format.**
82. **The EPC should work cooperatively with the Council of Europe so they remain complementary. The Government should also examine ways of giving greater priority to the work of the Council of Europe.**

Arrangements in Whitehall for handling UK-EU relations

83. During the UK's membership of the EU there was a well-established system for internal coordination on EU-related matters within the Government, involving the Cabinet Office, individual Whitehall departments, the UK Representation to the EU (UKRep) and the devolved administrations. This mechanism was necessary to ensure that the Government adopted a coherent approach in its engagement with the EU, which inevitably covered matters which lay within the responsibilities of most individual Government departments domestically.
84. When the UK left the EU, UKRep was succeeded by the UK Mission to the EU (UKMis), which seeks to ensure that the UK's "interests are promoted and explained to EU Member States and the EU institutions".¹²⁰ Within Whitehall, the Cabinet Office initially had overall responsibility for post-Brexit UK-EU relations. Following Lord Frost's resignation from the Government in December 2021, this was transferred to the Foreign, Commonwealth and Development Office.

Assessments of post-Brexit arrangements

85. During the course of this inquiry some witnesses raised concerns about the effectiveness of current arrangements for cross-government coordination on policy towards the EU. Lord Frost told us:

"I do not think that our internal coordination arrangements on European or semi-European business have worked well, certainly not since the referendum and probably a bit before that. The internal habits of transparency of information and clarity when decisions were taken, as well as what those decisions were, so that people could act on them, have all been lost. You cannot point at one Government in particular for being responsible for that; it has been a gradual deterioration over the past decade or more, to be honest, in how the machinery has worked."¹²¹
86. Ms Gaston indicated that many areas of potential post-Brexit UK-EU cooperation were "cutting across multiple departments".¹²² She argued that a coordinating Cabinet Office function was needed to ensure a coherent approach, as a lot of departments have "traditionally not thought in a foreign-policy sharp-edged kind of way".¹²³

120 Prime Minister's Office, 10 Downing Street, 'UK Mission to the European Union': <https://www.gov.uk/government/news/uk-france-joint-statement-6-october-2022> [accessed 25 April 2023]

121 Q 6 (Lord Frost)

122 Q 26 (Sophia Gaston)

123 *Ibid.*

87. Sir Julian King, who was European Commissioner for the Security Union from 2016 to 2019 and previously a senior UK civil servant, also emphasised the need for a “comprehensive approach to defence, security and foreign policy”, to ensure that these issues are not dealt with “in silos”.¹²⁴ He suggested that to support such an approach it is necessary to have a “joined-up policy-making machine that reflects it”.¹²⁵
88. Lord Hague told us that he was a “natural supporter” of the FCDO having lead responsibility for the UK’s policy towards the EU, as “many of the things on which we need good relations and cooperation with EU partners are geopolitical issues”.¹²⁶ However, he agreed with other witnesses that “coordination is needed from the Cabinet Office as well”.¹²⁷ Reflecting on his own experience as Foreign Secretary, he said that a “joint secretariat between the Foreign Office and the Cabinet Office has often worked well, since their coordination is required across education, energy and many other areas that are beyond the remit of the Foreign Office”.¹²⁸
89. A similar view was expressed by Lord Ricketts, who said that “if the idea is light coordination in the Cabinet Office with the main policy-making focus back in the FCDO, I am personally happy with that”.¹²⁹ He considered that the separation of EU policy from the FCDO following the vote to leave the EU had not been “a very happy experiment”.¹³⁰
90. Our own experience of engagement with the Government since Brexit has on a number of occasions suggested to us that effective coordination between departments is wanting. A particularly frustrating example of this has related to the challenges facing creative professionals when moving between the UK and the EU, which will be discussed further in Chapter 5 of this report.
91. There is a devolution dimension to this discussion since many of the policy areas that the Government may engage with the EU relate to competences subject to the UK’s devolution arrangements or have specific implications for the devolved territories. As was noted earlier in the chapter, during the UK’s EU membership there was a mechanism in place for consultation between the devolved governments and Whitehall on European policy. Many of the people that we spoke to during our visits to Cardiff and Edinburgh suggested to us that coordination with the devolved governments on EU-related matters had been insufficient since Brexit.¹³¹
92. The current arrangements for coordination within the Government were defended by the Minister for Europe, who said that there is a “healthy dose of cross-Whitehall collaboration” and suggested that the agreement on the Windsor Framework had been a “cross-Whitehall success story”.¹³² Olaf Henricson-Bell, EU Director at the FCDO, added that an advantage of how the system is currently set up is that it brings together the EU-facing

124 [Q 55](#) (Sir Julian King)

125 *Ibid.*

126 [Q 173](#) (Lord Hague)

127 *Ibid.*

128 *Ibid.*

129 [Q 55](#) (Lord Ricketts)

130 [Q 56](#) (Lord Ricketts)

131 [Q 164](#) (Dr Elin Royles, Charles Whitmore) and European Affairs Committee, ‘Edinburgh Visit Notes, January 2023’: <https://committees.parliament.uk/publications/38410/documents/191518/default/>

132 [Q 195](#) (Leo Docherty MP)

and bilateral dimensions to European policy.¹³³ He cited a fortnightly senior officials' meeting, chaired by the National Security Adviser, as an example of working closely with the Cabinet Office and 10 Downing Street.¹³⁴

Conclusions and recommendations

93. **Every Government department, as well as the devolved administrations, has an interest in the UK's relationship with the EU. In order to successfully manage the continually evolving relationship with the EU in a way that promotes and protects the UK's interests, we consider that there needs to be a strong coordinating machinery in Whitehall and with UKMis to ensure coherence in the UK's approach. We were therefore concerned to hear that internal coordination arrangements may not be working as effectively as they could be. Our own experience of engagement with the Government has borne this out.**
94. **We would emphasise that many developments in the EU continue to have important implications for the UK. Given this, it is essential that the UK, through the machinery in Whitehall and UKMis, makes representations at an early stage of the EU's complex policy process in a coordinated and effective manner. The machinery of government must be set up in a way that facilitates this.**
95. **During the UK's membership the Foreign and Commonwealth Office (now the FCDO) had lead responsibility for handling relations with the EU, while there was also a strong inter-departmental coordinating machinery in the Cabinet Office. We believe that the same combination is needed to handle post-Brexit relations with the EU.**
96. **We consider that the importance of effective arrangements for inter-departmental coordination, and for coordination between the UK Government and the devolved administrations, on EU-related matters will only become greater if the intensity of engagement between the UK and the EU increases over the coming years, in line with the recommendations elsewhere in this chapter.**
97. **We ask the Government to set out in its response to this report how the system of coordination on EU policy currently works, and in particular (i) how UKMis is involved, (ii) the relationship between the FCDO and the Cabinet Office, (iii) how other departments in Whitehall are involved and (iv) how the Government engages with the devolved administrations, specifically on EU-related policy, and what part the Interministerial Groups play in this. We hope the Government will be able to report how improved and strengthened inter-departmental coordination is leading to more effective outcomes.**

133 [Q 195](#) (Olaf Henricson-Bell)

134 *Ibid.*

CHAPTER 3: THE FOREIGN POLICY, DEFENCE AND SECURITY RELATIONSHIP

98. This chapter discusses the future of UK-EU cooperation on foreign policy, defence and security. It focuses on three key areas: the response to the Russian invasion of Ukraine; the defence relationship; and the possibility of a structured framework for foreign and security policy cooperation.
99. There are no provisions for cooperation on external relations in the TCA. The Political Declaration agreed by the UK and the EU in October 2019, published alongside the Withdrawal Agreement, referred to establishment of a “broad, comprehensive and balanced security partnership”.¹³⁵ However, the Government’s position following the 2019 general election was that while cooperation with the EU was desirable, a structured relationship was not necessary. Lord Frost, who was the UK’s Chief Negotiator at the time, confirmed to us that the Government had deliberately kept these issues out of the TCA negotiations, as it “took the view that we did not want to see an institutionalised UK-EU foreign policy relationship at that point”.¹³⁶ He argued that “a lot can just be done by normal UK-EU diplomacy”.¹³⁷
100. During the immediate period after the TCA came into force the Government appeared reluctant to acknowledge the EU’s status as a significant actor in foreign policy and defence. The 2021 *Integrated Review of Security, Defence, Development and Foreign Policy* made few references to the EU as a foreign policy actor.¹³⁸ Instead this document focused primarily on bilateral relationships and signalled a “tilt to the Indo-Pacific”.¹³⁹
101. On 13 March 2023 the Government published an update to its 2021 document.¹⁴⁰ This has a stronger focus on Europe than its predecessor, reflecting geopolitical developments over the past two years, most obviously the Russian invasion of Ukraine. It welcomes the “positive evolution” of the UK-EU relationship and expresses an intention to “develop new forms of cooperation on issues of shared interest” (see Box 2).

135 HM Government, *Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom* (19 October 2019): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840656/Political_Declaration_setting_out_the_framework_for_the_future_relationship_between_the_European_Union_and_the_United_Kingdom.pdf [accessed 25 April 2023]

136 Q 9 (Lord Frost)

137 *Ibid.*

138 Written evidence from The Independent Commission on UK-EU Relations (UKE00021)

139 HM Government, *Global Britain in a competitive age: The Integrated Review of Security, Defence, Development and Foreign Policy*, CP 403 (March 2021): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age-the_Integrated_Review_of_Security_Defence_Development_and_Foreign_Policy.pdf [accessed 25 April 2023]

140 HM Government, *Integrated Review Refresh 2023. Responding to a more contested and volatile world*, CP 811 (March 2023): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1145586/11857435_NS_IR_Refresh_2023_Supply_AllPages_Revision_7_WEB_PDF.pdf [accessed 25 April 2023]

Box 2: Integrated Review Refresh 2023

On 13 March 2023, the Government published a long-awaited update to its 2021 *Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy*.¹⁴¹ The new document, *Integrated Review Refresh 2023: Responding to a more contested and volatile world*, was aimed at acknowledging the changing domestic and international context since the publication of the original document, including the impact of Russia's invasion of Ukraine on 24 February 2022.

The 2021 Integrated Review (IR) described the UK as a “European country with global interests” and stated that the UK “will enjoy constructive and productive relationships with our neighbours in the European Union, based on mutual respect for sovereignty and the UK’s freedom to do things differently, economically and politically, where that suits our interests”.¹⁴² Cooperation with the EU was foreseen “where our interests coincide”, including “the stability and security of the European continent”, as well as on climate action and biodiversity.

The 2023 IR Refresh reinforces the importance of Europe. It defines the security of the Euro-Atlantic as a “core priority” and it states that the document was influenced by consultations with “key European partners”: France, Germany, Poland and Italy.

The document refers to “the positive evolution” of the UK’s post-Brexit relationship with the EU. Bilateral ties with selected European states (Ukraine, Poland and the Baltic states) are described as “closer than they have been at any point for decades”. It identifies the Government’s ambition to reinvigorate the UK’s “most important historical bilateral ties across Europe”, including with France and Ireland, and mini-lateral forums, including the Transatlantic Quad and Quint, Calais Group on migration, and the North Seas Energy Cooperation Group (further discussed in Chapter 4).

The Government outlines its ambition to build on the Trade and Cooperation Agreement and the Windsor Framework “to enter a new phase in our post-Brexit relationships in Europe” and reaffirms the IR 2021 contention that it will “seek to work closely in areas of mutual benefit”. The document identifies the Government’s intention to “develop new forms of cooperation on issues of shared interest—through direct cooperation (including on defence through PESCO) and in the G7 and other fora”.

The document also mentions the European Political Community (EPC), further discussed in Chapter 1, as “a notable and welcome new forum for continent-wide cooperation”, and refers to the proposed EPC summit in the UK in 2024.

UK-EU cooperation in the context of Russian invasion of Ukraine

102. Our witnesses agreed that Russia’s invasion of Ukraine had a positive impact on the relationship between the UK and the EU. Prof Stubb told us that “in

141 In January 2023, the House of Lords International Relations and Defence Committee published a comprehensive report about the need to update the Integrated Review 2021 and the accompanying Defence Command Paper 2021, to reflect better the challenges posed by domestic and international factors, including the increased levels of inflation and Russia’s invasion of Ukraine. See more: International Relations and Defence Committee, *UK defence policy: from aspiration to reality?* (1st Report, Session 2022–23, HL Paper 124)

142 HM Government, *Global Britain in a competitive age: The Integrated Review of Security, Defence, Development and Foreign Policy*, CP 403 (March 2021): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age- the Integrated Review of Security Defence Development and Foreign Policy.pdf [accessed 25 April 2023]

many ways, you could argue that, for better or worse, Russian aggression in Ukraine has brought us much closer”,¹⁴³ a view shared by Lord Frost, who felt that the war “has produced a sense of solidarity”.¹⁴⁴ Georgina Wright, Senior Fellow and Director of the Europe programme at Institut Montaigne, noted that Ms Truss, while Foreign Secretary, had attended a meeting of the EU Foreign Affairs Council in March 2022, following the outbreak of the war, together with the US Secretary of State, Tony Blinken. She felt that the war had “shown that the UK and the EU can come together when needed”.¹⁴⁵

103. The crisis served to remind EU Member States of the UK’s significance in matters related to European security, while also demonstrating to the UK the necessity of engaging with the EU. In the words of Lord Mandelson, “there is a colossal amount more that unites us than divides us. We now, after all, have a common enemy that unites us”.¹⁴⁶ He added that the role played by the UK in Ukraine “generated a lot of respect and good will for Britain among the member states of the European Union”.¹⁴⁷ Lord Frost concurred, saying that “Britain’s importance to the security and defence of the continent has been reinforced”¹⁴⁸, while Ms Wright suggested that the war had “shown that the UK not only remains implicated but is a major player in Europe”.¹⁴⁹
104. Prof Stubb suggested that a “more pragmatic” stage of the UK-EU relationship had been reached, in the context of the war, which he argued had “completely changed the security structure in Europe”.¹⁵⁰ Such “flexibility and pragmatism” was also visible in bilateral relations between the UK and Member States, as observed by Ms Wright, who told us that the war has “focused minds” in Paris, reinforcing Anglo-French cooperation after a period where this relationship had become strained.¹⁵¹ Prof Stubb, meanwhile, noted the importance of the UK Government’s written security guarantees to countries such as Finland, issued at the beginning of the war, and its support for NATO enlargement.¹⁵² For more on the UK’s bilateral relations, see paragraphs 157–170.
105. Most of our witnesses viewed UK-EU cooperation in response to Russia’s invasion of Ukraine as positive. The UK, in Prof Stubb’s assessment, “had been very strong and very helpful during the war in Ukraine not only in providing intelligence, arms and finance, but in general in trying to find various forms of cooperation with its European and transatlantic partners”.¹⁵³ Lord Stirrup, a former Chief of the Defence Staff, agreed that during the initial phases of the war “the cooperation has been excellent”.¹⁵⁴ He emphasised that maintaining alignment between the strategic objectives of the UK and EU Member States is “fundamental to sustaining an effective

143 [Q 14](#) (Prof Alexander Stubb)

144 [Q 1](#) (Lord Frost)

145 [Q 36](#) (Georgina Wright)

146 [Q 5](#) (Lord Mandelson). See also, [Q 14](#) (Prof Alexander Stubb).

147 [Q 9](#) (Lord Mandelson)

148 [Q 1](#) (Lord Frost)

149 [Q 43](#) (Georgina Wright)

150 [Q 14](#) (Prof Alexander Stubb). See also [Q 17](#) (Prof Alexander Stubb).

151 [Q 43](#) (Georgina Wright)

152 [Q 14](#) (Prof Alexander Stubb)

153 *Ibid.*

154 [Q 57](#) (Lord Stirrup)

response”.¹⁵⁵ Sir Julian King also evaluated UK-EU cooperation on Ukraine positively.¹⁵⁶

106. Witnesses stressed that cooperation between the UK and the EU on Ukraine will need to continue even once the war is over. For instance, Lord Hague predicted that the future reconstruction of Ukraine will “become an enormous issue over the next year or two”, and that security guarantees will need to be provided to Ukraine to prevent a future conflict. He argued that these things would require “closer and more intimate” UK-EU cooperation.¹⁵⁷ Ms Gaston similarly highlighted the important roles that both the UK and the EU are expected to play in post-war reconstruction, suggesting this could “compel some creativity in thinking” about UK-EU relations.¹⁵⁸

Cooperation on Russian sanctions

107. Cooperation during the process of imposing sanctions on Russia was most frequently mentioned by our witnesses when discussing the West’s response to the events that began on 24 February 2022. Our witnesses were broadly positive about the engagement between the UK and the EU during his process.
108. Prof Chalmers noted that at the beginning of the war political directors (Sherpas) representing the UK, EU and other G7 members held daily meetings, focusing on sanctions. Despite different sanctions regimes, detailed information justifying the imposition of sanctions on individuals and organisations was shared by the UK with the EU counterparts in a way that Prof Chalmers described as “rather successful”.¹⁵⁹ Prof Stubb also praised the speed of the initial coordination between the EU, UK and the US.¹⁶⁰
109. Lord Frost offered a dissenting view. In his assessment, sanctions could have been introduced quicker by the EU and could have been more effective and far-reaching had the Member States introduced them on an individual basis rather than waiting for everyone to agree (including those who were blocking the process).¹⁶¹ He felt that it was right that the UK’s focus had been “very much on our own resilience”, as well as trying to influence the EU’s approach.¹⁶² Lord Mandelson told us that the detailed sanctions arrangements had initially been worked out in Washington DC, and by the time they were discussed with the EU there was “rather more momentum than the Commission had initially anticipated”.¹⁶³
110. Although the sanctions coordination process was largely seen as a success, Prof Chalmers felt that there had been some mutual disadvantages to the UK and the EU from having separate decision-making processes. He noted that the “the UK has no say in the development of decision-making in relation to EU sanctions policy ... and vice versa”, whereas prior to Brexit the UK “would have been one of the most important actors in such a discussion”.¹⁶⁴

155 *Ibid.*

156 [Q 57](#) (Sir Julian King)

157 [Q 169](#) (Lord Hague).

158 [Q 28](#) (Sophia Gaston).

159 [Q 28](#) (Prof Malcolm Chalmers).

160 [Q 20](#) (Prof Alexander Stubb)

161 [Q 10](#) (Lord Frost)

162 *Ibid.*

163 [Q 11](#) (Lord Mandelson)

164 [Q 28](#) (Prof Malcolm Chalmers)

He explained that the coordination process was primarily about sharing of information and posed a hypothetical question: “Would the EU have been a bit tougher if the UK had been a member? Perhaps it would. That is speculative. That is an area in which you can see there might have been a disadvantage in not being a member”.¹⁶⁵ He did not see a reason why the UK and the EU should not have an agreement to cooperate on sanctions, similar to that the Government has signed with the US Treasury.¹⁶⁶

111. Some of our other witnesses also suggested that the absence of a structured mechanism had hindered information sharing. Lord Mandelson told us that “you do not win wars by WhatsApp” and argued that “really strong mechanisms and working structures” are needed.¹⁶⁷ Meanwhile, Ms Wright noted that, although there had been some cooperation between the UK and the EU, “the White House and the Commission spoke a lot more frequently”.¹⁶⁸
112. Witnesses also emphasised that, since sanctions are likely to remain in force for the foreseeable future, structured cooperation arrangements may be desirable to maintain momentum over time. Dr Nathalie Tocci, Director of the Instituto Affari Internazionali, considered that the UK and the EU had coordinated “rather remarkably” on sanctions so far, but argued that “[i]f crisis is to be turned into opportunity, it is worth thinking about institutionalising this”.¹⁶⁹ She identified potential “hurdles and loopholes” that might need to be overcome in the future, where cooperation would be valuable.¹⁷⁰ Lord Ricketts and Lord Stirrup made similar suggestions.¹⁷¹
113. Other witnesses, including Lord Hague, suggested that structured cooperation would be especially valuable for monitoring the enforcement and effectiveness of sanctions.¹⁷² He told us that, regrettably, the “sanctions have not been effective in preventing quite a wide range of European goods from reaching Russia” through third countries and that “people in Moscow have not noticed much difference”.¹⁷³ Nevertheless, he emphasised that “aligning on sanctions is a matter of political will” and not just structures. He stressed that sanctions “must be re-evaluated daily and updated”.¹⁷⁴
114. Lord Ricketts, meanwhile, considered there to be scope for greater cooperation between the UK and the EU in exerting pressure on the approximately 100 countries that have not supported sanctions against Russia and “do not seem to see the terrible crisis in Ukraine as in any sense their concern or affecting their interests”.¹⁷⁵ He called on democracies, including the UK and the EU, “to go out and do a better job of explaining why this is not just a crisis back to the old Cold War but something that fundamentally affects the interests

165 *Ibid.*

166 [Q 30](#) (Prof Malcolm Chalmers). In October 2022, the UK Office of Financial Sanctions Implementation at HM Treasury and the US Office of Foreign Assets Control at the US Treasury announced enhanced cooperation between both offices, “to enhance both our own capabilities and the support we provide to those at the forefront of effective sanctions implementation”. See more: HM Treasury, The Office of Financial Sanctions Implementation, Blog: ‘OFAC-OFSI Enhanced Partnership’ (17 October 2022): <https://ofsi.blog.gov.uk/2022/10/17/ofac-ofsi-enhanced-partnership/> [accessed 25 April 2023].

167 [Q 5](#) (Lord Mandelson)

168 [Q 36](#) (Georgina Wright)

169 [Q 39](#) (Dr Nathalie Tocci)

170 [Q 38](#) (Dr Nathalie Tocci).

171 [Q 57](#) (Lord Stirrup) and [Q 57](#) (Lord Ricketts)

172 [Q 177](#) (Lord Hague)

173 [Q 176](#) (Lord Hague)

174 *Ibid.*

175 [Q 57](#) (Lord Ricketts)

of all free societies, and that the rule of law is something that everyone ought to be working to support”.¹⁷⁶

115. The Minister for Europe suggested that there were benefits to the UK having autonomy over its sanctions policy. He argued that “having independence on our own sanctions policy is in fact a useful accelerant”, allowing the UK to “perhaps be a bit more agile and encourage others in a way that we would not be able to do if we were formally moving in lockstep”.¹⁷⁷
116. Mr Henricson-Bell provided more details on the existing mechanism for coordination with the EU. He explained that the Government’s “sanctions directorate has regular, more in-depth engagement with the EU, the US and other G7 partners, as you would expect. That is happening”.¹⁷⁸ He acknowledged that monitoring the implementation of sanctions had proved more challenging but told us that “the same framework of doing this together is operating on the question of implementation as on the question of designing the agreement”. Mr Henricson-Bell indicated that although the UK may not always follow the EU’s policy, “we are making sure that we share the lessons we are learning”.¹⁷⁹

Conclusions and recommendations

117. **Overall, cooperation between the UK and the EU has been close and productive in response to the Russian invasion of Ukraine. This cooperation will need to continue and be developed further, including in the context of the post-war reconstruction of Ukraine, during which the UK and the EU will both have important roles to play.**
118. **We welcome the effective cooperation between the UK and EU in the imposition of sanctions against Russia. The overall sanctions regime must, however, be more robust. We believe, in particular, that closer cooperation between Western partners, including the UK and the EU, is needed on the implementation and enforcement of sanctions and the evaluation of their success or failure. We therefore welcome the announcement of a new G7 Enforcement Coordination Mechanism.**
119. **Complementary to the Enforcement Coordination Mechanism, we recommend that the UK and the EU should agree a Memorandum of Understanding around information sharing and cooperation on imposition, implementation and enforcement of sanctions as soon as possible, similar to the enhanced sanctions partnership agreement reached between the Government and the US Treasury. This need not be an elaborate mechanism but we believe that it would be beneficial to have some formal arrangements in place, which would help to ensure that momentum is maintained beyond the current phase of the war.**
120. **A careful calibration of international cooperation on sanctions policy, including a system for monitoring enforcement, would provide**

¹⁷⁶ *Ibid.*

¹⁷⁷ [Q 201](#) (Leo Docherty MP)

¹⁷⁸ [Q 202](#) (Olaf Henricson-Bell). Plans to establish a new G7 Enforcement Coordination Mechanism were announced in February 2023. See Prime Minister’s Office, 10 Downing Street, ‘G7 Leaders’ Statement: 24 February 2023’: <https://www.gov.uk/government/news/g7-leaders-statement-24-february-2023> [accessed 25 April 2023]

¹⁷⁹ [Q 202](#) (Olaf Henricson-Bell)

added value in relation to other current and future threats where sanctions can be a deterrent. We can be sure that the objects of UK and EU sanctions will be working hard to diminish their impact and only the closest cooperation over implementation will ensure their effectiveness.

121. **We welcome the fact that the Government recognised the importance of the European Union in its Integrated Review Refresh 2023. We will closely monitor how these ambitions are translated into policies.**

UK-EU defence cooperation

122. The war in Ukraine has also given rise to renewed discussion about how the UK and the EU could, or should, cooperate in terms of defence. As outlined later in this chapter (paragraphs 132–141), our witnesses agreed that, for the UK, NATO holds the leadership role when it comes to European defence. Lord Ricketts spoke of an emerging “European defence industrial ecosystem”:

“I think there is a completely deliberate policy to build an end-to-end process, starting with capability definition in the CARD process¹⁸⁰, the EDF to fund collaborative research and development projects¹⁸¹, the EDA¹⁸² to manage projects and PESCO¹⁸³ to provide a framework for nation states to get together.”¹⁸⁴

PESCO

123. Our witnesses noted that the UK had joined an EU-led defence capability project that seeks to facilitate military mobility in November 2022. The Military Mobility project is part of the EU’s wider Permanent Structured Cooperation (PESCO), an attempt to strengthen the EU defence cooperation and develop its capabilities (see Box 3).¹⁸⁵

180 The Coordinated Annual Review on Defence, or CARD provides an overview of the EU defence landscape and facilitates cooperation by identifying collaborative opportunities. See more: European Defence Agency, ‘Coordinated Annual Review on Defence’: [https://eda.europa.eu/what-we-do/EU-defence-initiatives/coordinated-annual-review-on-defence-\(card\)](https://eda.europa.eu/what-we-do/EU-defence-initiatives/coordinated-annual-review-on-defence-(card)) [accessed 25 April 2023].

181 The European Defence Fund (see Box 4, below).

182 The European Defence Agency (see Box 4, below).

183 Permanent Structured Cooperation (see Box 3, below).

184 **Q 62** (Lord Ricketts)

185 House of Commons Library, *EU Permanent Cooperation (PESCO): a future role for UK defence?*, Research Briefing, **CBP 2022/9058**, November 2022

Box 3: Permanent Structured Cooperation (PESCO)

The EU's Permanent Structured Cooperation (PESCO) was established under the Common Security and Defence Policy (CSDP) in 2017. This builds on previous EU defence integration initiatives. PESCO is envisaged as “a framework and a structured process to gradually deepen defence cooperation to deliver the required capabilities to ... undertake the most demanding missions and thereby provide an improved security to EU citizens”.¹⁸⁶ 25 of the 27 Member States of the EU participate. There are currently 60 PESCO projects being developed, covering areas such as training, land, maritime, air and cyber.¹⁸⁷

Third countries can be invited to participate in PESCO projects if they meet conditions such as sharing “the values on which the EU is founded”, having a political dialogue with the EU that covers defence and security aspects, and providing “substantial added value to a project, for example technical expertise or additional capabilities”.¹⁸⁸ There is a multi-stage process for third-party acceptance into a PESCO project, beginning with a request to participate and ultimately concluding with a Decision of the Council of the EU as to whether participation meets all necessary conditions. The Political Declaration published alongside the Withdrawal Agreement in 2019 stated that the UK would “consider” participation in PESCO projects “where invited to participate on an exceptional basis by the Council of the European Union”.¹⁸⁹

In January 2021, the EU Security and Justice Sub-Committee received a letter from the Government outlining its position on PESCO, where it said that “we have no plans to participate in PESCO and remain concerned at the restriction that these [third-party access] conditions could impose (...) We will monitor how the PESCO rules work in practice, in particular the extent to which they help build capabilities that are required by NATO, and allow meaningful cooperation with other non-EU NATO allies”.¹⁹⁰

124. Evidence that we have received broadly welcomed the UK's decision to engage with the Military Mobility project. Lord Hague thought that “the UK was right to go into that” and anticipated there would also be “other such projects which the UK can join in with”.¹⁹¹
125. In terms of wider engagement with PESCO, Prof Chalmers told us that “it is best to take this on a case by case basis, looking at a specific programme and saying, “Can we make it work in this case?” rather than thinking in broad terms about the UK joining PESCO or not”.¹⁹² Lord Stirrup similarly said

186 Permanent Structured Cooperation (PESCO), ‘Scope and Ambition’: <https://www.pesco.europa.eu/about/> [accessed 25 April 2023]

187 Permanent Structured Cooperation (PESCO), ‘Projects’: <https://www.pesco.europa.eu/#projects> [accessed 25 April 2023]

188 House of Commons Library, EU Permanent Cooperation (PESCO): a future role for UK defence?, Research Briefing, [CBP 2022/9058](https://www.parliament.uk/publications/2022/9058), November 2022, pp 2–3

189 HM Government, *Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom* (19 October 2019), para 102: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840656/Political_Declaration_setting_out_the_framework_for_the_future_relationship_between_the_European_Union_and_the_United_Kingdom.pdf [accessed 25 April 2023]

190 Letter from Rt Hon Baroness Goldie, Minister of State in the Ministry of Defence to Lord Ricketts, Chair of the EU Security and Justice Sub Committee (26 January 2021): <https://committees.parliament.uk/publications/4450/documents/45016/default/>

191 [Q 179](#) (Lord Hague)

192 [Q 32](#) (Prof Malcolm Chalmers).

that whether it was in UK interests to participate would depend “entirely on the project.”¹⁹³

126. Ms Wright emphasised that the PESCO Military Mobility project “is something NATO likes” and that Member States that are part of PESCO are “aware of not wanting it to duplicate what NATO does already”, mentioning a May 2018 paper co-signed by Belgium, Luxembourg and the Netherlands stating that PESCO should not duplicate NATO’s work.¹⁹⁴ She did raise the issue of the UK’s leverage in PESCO projects, asking, “even if you are not a member of the EU but you contribute significantly, financially or otherwise, can you have a say in the design of projects rather than just tag along, with the EU deciding everything, taking all the money and you having a final say?”¹⁹⁵ Ms Wright felt that the EU may need to make a stronger offer to the UK if it wishes to encourage greater UK involvement in the future.
127. The Minister for Europe told us that the fact that the UK will join the Military Mobility project under PESCO is “a good example of where we think we can add value”. In his assessment, “what we take by that is engaging and collaborating where we think it is beneficial to both sides”.¹⁹⁶ He said that the Government is “open-minded” to participation in other PESCO projects but has “none in mind at present”.¹⁹⁷

European Defence Fund and the European Defence Agency

128. Our witnesses also discussed the implications of the European Defence Fund (EDF), European Defence Agency (EDA) (see Box 4), and related EU defence-industrial policies, for the UK. As explained by Lord Ricketts, the EDF “inevitably has a protectionist tinge, if you use that word, deliberately to encourage investment, innovation and capability development in the EU” and even though its track record so far “is not strong ... this is a serious run at developing an autonomous European defence industry”.¹⁹⁸

193 [Q 63](#) (Lord Stirrup)

194 [Q 44](#) (Georgina Wright)

195 *Ibid.*

196 [Q 203](#) (Leo Docherty MP)

197 *Ibid.*

198 [Q 62](#) (Lord Ricketts)

Box 4: European Defence Fund and the European Defence Agency

The European Defence Fund was established in 2017. According to the European Commission, this “financially support[s] consortia of companies from different member states undertaking cooperative defence research and development of defence products and technologies”.¹⁹⁹ €13 billion has been allocated to this fund in the 2021–2027 budget cycle.²⁰⁰ Nevertheless, as of 2020, joint procurement represented only 11% of the total defence armament acquisition of EU Member States.²⁰¹

Full third-party involvement in the European Defence Fund is open only to members of the European Economic Area (EEA). Entities in other third countries can participate in collaborative projects but cannot be funded through the scheme. The Political Declaration published alongside the Withdrawal Agreement in 2019 stated that the UK and the EU would “consider” participation of UK entities in collaborative projects supported by the European Defence Fund, to “the extent possible under the conditions of Union law”.²⁰² There are not currently any examples of this sort of arrangement.

The European Defence Agency was established in 2004 to support 26 Member States (Denmark does not participate) in developing their military resources. It promotes collaboration, launches new initiatives and works to improve defence capabilities. It also “helps Member States that are willing to do so to develop joint defence capabilities” and “is a key facilitator in developing the capabilities that underpin the EU’s Common Security and Defence Policy (CSDP)”.²⁰³

129. However, Lord Stirrup was less concerned about the implications of EU defence procurement initiatives for the UK, saying that “there is plenty of business to go round” and that he would welcome an increase in the EU defence industrial base.²⁰⁴ The key question, according to Lord Stirrup “is whether the investment is going to be made in the long run”. Although initiatives such as the EDF “can be extremely useful”, he indicated that they can also “be used as a fig leaf for not doing enough on a national basis”.²⁰⁵ In his assessment, “the latter tends to be more common than the former”.²⁰⁶
130. Lord Ricketts also highlighted that the US is negotiating an administrative cooperation arrangement with the European Defence Agency but the UK is not, which may mean that “UK defence manufacturers will find the European market more difficult to get into”.²⁰⁷ Sir Julian King highlighted examples of other third countries having administrative agreements with

199 European Commission, ‘European Defence Fund’: https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes/european-defence-fund_en#impact-and-performance [accessed 25 April 2023]

200 House of Commons Library, *European defence: where is it heading?*, Research Briefing, [CBP 2019/8216](https://www.parliament.uk/publications/2019/8216), October 2019

201 Bastian Giegrich and Ester Sabatino, ‘The (Sorry) State of EU Defense Cooperation’, *Carnegie Europe* (6 October 2022): <https://carnegieeurope.eu/strategieurope/88104> [accessed 25 April 2023]

202 HM Government, *Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom* (19 October 2019) para 102: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840656/Political_Declaration_setting_out_the_framework_for_the_future_relationship_between_the_European_Union_and_the_United_Kingdom.pdf [accessed 25 April 2023]

203 European Union, ‘European Defence Agency’: https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/eda_en [accessed 25 April 2023]

204 [Q 62](#) (Lord Stirrup)

205 *Ibid.*

206 *Ibid.*

207 [Q 62](#) (Lord Ricketts)

the European Defence Agency, including Norway, Switzerland, Serbia and Ukraine.²⁰⁸

131. Lord Mandelson noted that one consequence of the Russian invasion of Ukraine is that the EU is likely to want to develop its defence industrial strategy further. He suggested that the EU could increasingly create “European-constructed and produced defence industrial policies and investments” through which EU Member States would be able to collaborate with each other, giving the example of the aircraft combat system.²⁰⁹ He argued that this is something that the UK may want to “be part of where we can”, since such cooperation would “suit us militarily and economically”, rather than staying outside of “what is going to be a significant ratcheting-up of European defence industrial strategy and military capability”.²¹⁰ We note, however, that the absence of UK participation has not inhibited the UK’s collaboration with Italy. On 9 December 2022, the Government announced the establishment of the Global Combat Air Programme, a new partnership between the UK, Japan and Italy to deliver the next generation of combat air fighter jets.²¹¹

The UK’s approach to the NATO-EU relationship

132. Following Russia’s invasion of Ukraine, the EU has pursued closer ties with NATO. Lord Stirrup told us that during the war this relationship had “very clearly” been “a synergistic one rather than a competitive one”.²¹² Lord Ricketts also complimented EU-NATO cooperation, noting that the EU “has moved a long way in areas that were taboo, such as the financing of arms deliveries to Ukraine, under the pressure of war”.²¹³ Dr Tocci told us that “[f]or the first time this has revived in a meaningful way a conversation about the European pillar in NATO”. She noted that in the past this was “always pitched but never really elaborated on” and felt that it was now a perfect moment for them to “try to figure [it] out”.²¹⁴
133. Witnesses emphasised that the West’s response to Russia’s invasion of Ukraine is led primarily by NATO. However, Lord Mandelson predicted that the EU “will want to step up and do better in future”, including through “new linkages” with NATO and the US.
134. In January 2023 NATO and the EU issued an updated Joint Declaration.²¹⁵ This acknowledged NATO as the “foundation of collective defence for its Allies” and “essential for Euro Atlantic security”. At the same time, it recognised “the value of a stronger and more capable European defence that contributes positively to global and transatlantic security and is complementary to, and interoperable with NATO”.

208 Q 62 (Sir Julian King)

209 Q 13 (Lord Mandelson)

210 Q 11 (Lord Mandelson)

211 Prime Minister’s Office and the Ministry of Defence, Policy paper, ‘Joint Leaders’ Statement: UK-Italy-Japan’ (9 December 2022): <https://www.gov.uk/government/publications/joint-leaders-statement-uk-italy-japan-9-december-2022> [accessed 25 April 2023]

212 Q 57 (Lord Stirrup)

213 Q 57 (Lord Ricketts)

214 Q 41 (Dr Nathalie Tocci)

215 President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization, ‘Joint Declaration on EU-NATO Cooperation’ (10 January 2023): https://www.nato.int/cps/en/natohq/official_texts_210549.htm [accessed 25 April 2023]

135. Paragraph 13 of the NATO-EU Joint Declaration says that “we encourage the fullest possible involvement of the NATO Allies that are not members of the EU in its initiatives”. Paragraph 43 of the 2022 NATO Strategic Concept similarly states that for “the development of the strategic partnership between NATO and the EU, non-EU Allies’ fullest involvement in EU defence efforts is essential”.²¹⁶
136. Our witnesses reflected on how the UK’s commitment, as a leading member of NATO, to the involvement of non-EU Allies in EU defence efforts could be given practical effect. Lord Ricketts saw these statements as “an invitation to British Governments to look for areas where the UK can play a useful part, it being clear that any increase in European defence capability can only be useful to NATO as well”, citing participation in PESCO projects as a possible opportunity.²¹⁷ Prof Chalmers, meanwhile, interpreted the “sense” of these paragraphs as indicating that where “there is a mutual interest in doing something together it is absolutely right to do so”.²¹⁸
137. Mr Henricson-Bell told us that the Government’s approach on these matters is informed by the test set out by the NATO Secretary-General for cooperation with EU-led defence initiatives:

“that is about being coherent with NATO requirements, the capabilities being available to NATO and the capabilities being open to the fullest participation of wider NATO allies. That provides the framework within which we would make judgments”.²¹⁹

Conclusions and recommendations

138. **We welcome the Government’s decision to join PESCO’s Military Mobility project, which represents a change from its previous position on PESCO and is an example of a more pragmatic approach towards cooperation with the EU. We agree with the Minister for Europe that the Government should continue to consider seeking third-country participation in other PESCO projects on a case-by-case basis, where this is in the UK’s interests.**
139. **We believe that it is important for the UK be actively involved in what one of our witnesses called a “European defence industrial ecosystem” and to ensure that UK interests are protected. The Government should therefore closely monitor the development of the European Defence Fund. We ask the Government to provide its current assessment of the implications of the EDF for the UK in its response to this report.**
140. **We call on the Government to seek to put in place an administrative agreement with the European Defence Agency, similar to those agreed with other third countries, including the US, Norway, Switzerland, Serbia and Ukraine.**

216 North Atlantic Treaty Organization, ‘NATO 2022 Strategic Concept’ (29 June 2022): https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf [accessed 25 April 2023]

217 [Q 60](#) (Lord Ricketts)

218 [Q 30](#) (Prof Malcolm Chalmers)

219 [Q 203](#) (Olaf Henricson-Bell)

141. **We welcome the 2023 EU-NATO Joint Declaration and agree with its assessment that the European Union can play a complementary role in a NATO-led European security environment. In its response to this report we ask the Government to set out how it envisages giving practical effect to the statement, in paragraph 13 of the Joint Declaration, that “we encourage the fullest possible involvement of the NATO Allies that are not members of the EU in its initiatives”.**

A structured cooperation framework for foreign and security policy?

142. Beyond specific areas of ongoing and potential cooperation between the UK and the EU on foreign and security policy, there is also a broader question about the overarching relationship in external affairs. The majority of our witnesses considered that a more structured relationship with the EU would be of mutual benefit, to complement the *ad hoc* cooperation that has been experienced post-Brexit.²²⁰
143. Lord Hague called for a “strategic partnership” between the UK and the EU, similar to those that the EU has established with several other major third country partners, arguing that cooperating “in an ad hoc way every time is very difficult”.²²¹ He indicated that he had thought at the time that the “security partnership” referred to in the UK-EU Political Declaration of 2019, and previously supported by the Government when Rt Hon Theresa May MP was Prime Minister, was a “good idea”.²²² He suggested that such a partnership should include provisions for “regular meetings between the British Foreign Secretary and counterparts before the Foreign Affairs Council”.²²³
144. Several witnesses suggested that the absence of a security partnership had hindered cooperation. Lord Ricketts said that on foreign and security policy, “there has been almost a complete stop to any policy discussions between the UK and the EU, which is remarkable when you think that we were an integral part of that enormous structure of consultation, co-ordination and policy-making until we left”.²²⁴ Lord Stirrup made a similar argument, highlighting “our absence from the engine rooms where policies are talked about and gestated”.²²⁵
145. Lord Ricketts expressed his worries about the impact the absence of established cooperation mechanisms can have, especially in crisis situations:
- “I am worried that the absence of structured co-operation means that at ministerial level the UK and EU member states are drifting apart, because inevitably British Ministers are not getting around the majority of EU member states and meeting member state Foreign Ministers, Defence Ministers, Interior Ministers as they did around the table. Therefore, the gap is opening up.”²²⁶
146. He argued that “how the EU develops its role in international peace and security and how it defines its strategic independence affects our interests

220 [Q 36](#) (Georgina Wright)

221 [Q 175](#) (Lord Hague)

222 *Ibid.*

223 [Q 169](#) (Lord Hague)

224 [Q 46](#) (Lord Ricketts)

225 [Q 46](#) (Lord Stirrup)

226 [Q 51](#) (Lord Ricketts)

as a European country”.²²⁷ He proposed that the UK should have a “regular dialogue with the EU—six-monthly meetings or something”.²²⁸

147. However, as noted by Dr Rosa Balfour, the Director of Carnegie Europe, while foreign and security policy cooperation between the UK and the EU may be of mutual interest to both parties, areas of divergence may be inevitable. She noted that EU is “investing a lot in beefing up its geoeconomic strength, its economic statecraft”. Here, the UK may be less interesting as a partner to the EU.²²⁹
148. As summarised by Ms Wright, there is “an appetite to think out of the box now” in terms of UK-EU cooperation, partially accelerated by the war in Ukraine. But she suggested that “we are really at the beginning of that thinking”, and it has to be accelerated.²³⁰
149. Support for a more structured cooperation mechanism was, however, not universal among our witnesses. Lord Frost argued that influence can be achieved “by having very deep day-to-day relationships, frequent contact and an understanding and sense of each other’s interests”. In his view:

“If we had been part of the EU, a lot of diplomatic effort over the last six to nine months would have been devoted to showing up in Brussels and trying to influence what was going on there, and spending a lot of time on that, probably to rather limited effect. That would have come at the expense of talking to others, thinking hard about the situation and trying to influence it in other ways.”²³¹
150. Other witnesses were cautious about how the EU might respond to proposals for more structured UK-EU cooperation on foreign policy. For instance, Sir Julian King, giving evidence prior to the Windsor Framework surfacing, emphasised that “it takes two to tango, and you need to imagine a situation where the EU member states also see an interest in doing this kind of structured co-operation”.²³² Meanwhile, from a German perspective, Dr Ammon noted that “there is always the concern in Berlin that such initiatives might carry the risk of duplicating existing structures, and—in particular—that they could undermine hard-won European unified positions that become blurred when new structures are created in parallel”.²³³
151. Some of our witnesses noted that there are options available that would facilitate more regular cooperation between the UK and the EU than has been the experience since Brexit, without establishing rigid structures. Ms Wright referred to the example of the EU-US Trade and Technology Council (TTC), where the participants engage formally but also “meet outside that council”.²³⁴ Lord Mandelson told us that TTC was originally a European Commission idea and the US needed “some time to embrace [it]”, but “they have now done so with real gusto and enthusiasm”. The arrangement has

227 [Q 47](#) (Lord Ricketts)

228 *Ibid.*

229 [Q 37](#) (Dr Rosa Balfour)

230 [Q 37](#) (Georgina Wright)

231 [Q 11](#) (Lord Frost)

232 [Q 51](#) (Sir Julian King)

233 [Q 68](#) (Peter Ammon)

234 [Q 9](#) (Lord Mandelson); see also [Q 36](#) (Georgina Wright).

become an important mechanism for EU-US cooperation on issues such as control of critical technology to China.²³⁵

152. Dr Balfour also suggested learning lessons from the US-EU relationship, again emphasising informal aspects of that cooperation. She noted that visits of US officials to Europe frequently include meetings with EU institutions, thus acknowledging the EU as a significant actor, not only its Member States. She suggested a similar arrangement “would be perhaps another step or another gesture that the UK Government could make in order to start a different conversation on how to co-operate with the EU on foreign and security policy”.²³⁶
153. Lack of a similar institutional arrangement to those involving the US meant, in Ms Wright’s assessment, that the UK and EU officials had fewer opportunities to talk.²³⁷ She argued that, in the context of the important discussions that the US and EU are having in the TTC, “we are observers and spectators, because we have no institutional mechanism that connects us or binds us into these new arrangements”.²³⁸
154. Ms Wright also suggested that the UK Foreign Secretary could attend EU Gymnich meetings,²³⁹ following the example of other non-EU countries having done that in the past, such as Switzerland, Norway and Turkey. Another proposal made to us was for secondments in each other’s administrations.²⁴⁰
155. We have noted elsewhere in this report that the environment for UK-EU relations has improved recently. The Joint Statement issued following the Joint Committee and Partnership Council meetings on 24 March 2023 made explicit references to continued collaboration on a European response to the war in Ukraine, and to dialogue “in the areas of cyber security and counter-terrorism”.²⁴¹
156. When he gave evidence to us in March 2023, the Minister for Europe indicated that the Government had an “open mind” about developing the relationship in foreign policy and security.²⁴² However, consistent with the Government’s previous positions since the 2019 general election, he argued that he was “not entirely sure it needs to be formalised”.²⁴³

235 Q 9 (Lord Mandelson)

236 Q 36 (Dr Rosa Balfour)

237 Q 36 (Georgina Wright)

238 Q 9 (Lord Mandelson)

239 Informal meetings of Ministers of Foreign Affairs of EU Member States. They take place once every six months and offer a platform for an open discussion and are usually chaired by the High Representative of the European Union for Foreign Affairs and Security Policy and Vice-President of the European Commission. The Gymnich format takes its name from a castle near Bonn, Germany, which hosted such a meeting for the first time in 1974.

240 Q 36 (Georgina Wright)

241 Foreign, Commonwealth and Development Office, Press Release: ‘Joint statement on the Withdrawal Agreement Joint Committee and Trade and Cooperation Agreement Partnership Council meetings’ (24 March 2023): <https://www.gov.uk/government/news/joint-statement-on-the-withdrawal-agreement-joint-committee-and-trade-and-cooperation-agreement-partnership-council-meetings-24-march-2023> [accessed 25 April 2023]. We also note that the UK Armed Forces Minister, James Heapey MP, attended the inaugural EEAS Schuman Security and Defence Partnership Forum in Brussels on 21 March 2023, see more: European Council, Press Release: ‘High Representative of the European Union for Foreign Affairs and Security Policy Josep Borrell at the EEAS Schuman Security and Defence Partnership Forum’ (21 March 2023): <https://newsroom.consilium.europa.eu/events/20230321-eu-hr-borrell-at-the-eeas-schuman-security-and-defence-partnership-forum/139335-arrival-and-doorstep-uk-heapey-20230321> [accessed 25 April 2023].

242 Q 201 (Leo Docherty MP)

243 *Ibid.*

Bilateral and mini-lateral formats

157. An additional dimension was the need to balance engagement with the EU institutions against bilateral foreign policy cooperation with EU Member States, and groups of Member States, including France and Germany.
158. Several witnesses emphasised the importance of bilateral relationships.²⁴⁴ Lord Mandelson highlighted achievements from recent bilateral engagement, such as the defence cooperation partnership with Poland.²⁴⁵ He expressed the desire to develop close bilateral contacts with other EU countries, mentioning France, Germany, the Czech Republic and Italy. These would not be a substitute to the UK-EU relationship, but rather a multiplier that would “in time feed into a better all-round relationship between London and Brussels, the UK and the EU”.²⁴⁶
159. He noted that summits such as the first meeting of the EPC provide an opportunity for bilateral conversations on the fringes, as was the case with the meeting between the then-Prime Minister, Ms Truss, and President Macron.²⁴⁷ Lord Frost agreed with these observations, calling for more people to be engaged in maintaining such relationships: “That means, certainly in the Foreign Office and probably beyond, that you need sufficient Ministers, senior officials and envoys, who are empowered by Ministers or the Prime Minister, to build those relationships, to be in place over time and not rotate rapidly, to allow them to happen”.²⁴⁸
160. When discussing bilateral and mini-lateral formats of cooperation in Europe, Ms Gaston referred to the period immediately after Brexit, when cooperation in formats such as the E3 was “at the top of people’s minds”. She acknowledged that this had “reduced in scope and potency” over recent years, but she felt that the UK should be thinking about these formats as potentially having a significance that could “challenge and be more meaningful in some ways than other kinds of traditional security co-operation relationships”.²⁴⁹ Prof Chalmers thought that the EPC was an ideal setting for such bilateral and mini-lateral meetings, as evidenced by the Prague summit.²⁵⁰
161. Dr Balfour argued that bilateral formats “provide added value to the UK, but very little by comparison to what the EU has to offer”.²⁵¹ Dr Tocci and Ms Wright agreed with that assessment. Ms Wright noted that Member States have been keen to keep matters that fall within EU competence out of bilateral meetings with the UK, which means that there are “limits to what we can do bilaterally”.²⁵² She cited the example of defence procurement, saying that “when the French and the British talked about a future Franco-British summit, it was one of the things put on the table and the French quickly said that that touches on EU competence, so there are limits to what we can do bilaterally”.²⁵³ This was reflected in the recent agreement on a joint ammunition procurement for Ukraine, announced on 20 March

244 See [Q 6](#) (Lord Frost), [Q 14](#) (Prof Alexander Stubb) and [Q 171](#) (Lord Hague).

245 [Q 6](#) (Lord Mandelson)

246 *Ibid.*

247 [Q 5](#) (Lord Mandelson)

248 [Q 6](#) (Lord Frost)

249 [Q 24](#) (Sophia Gaston)

250 [Q 25](#) (Prof Malcolm Chalmers)

251 [Q 39](#) (Dr Rosa Balfour)

252 [Q 40](#) (Georgina Wright)

253 *Ibid.*

2023, which did not make any provisions for defence industries from third-countries (bar Norway) to participate.²⁵⁴

162. In reference to the security partnership between the UK and Finland, Prof Stubb said that it was extremely important that Helsinki received written security guarantees from the UK Government, signed by the (then) Prime Minister, “in the heat of the beginning of the war”. Dr Balfour suggested that COVID-19 and the Russian invasion of Ukraine had an impact on the EU Member States’ thinking about bilateral relations with the UK”. In her assessment, the “MOUs that have been signed by the UK with individual member states, which are quite targeted to certain sectors, be it energy or defence, are not seen as an impediment to a more important relationship with the European Union and are not seen in an antagonistic way at all”.²⁵⁵
163. Nevertheless, bilateral relationships were generally viewed by witnesses as being complementary to the relationship with the EU institutions, rather than a substitute.
164. We heard about examples of other models of bilateral cooperation between the EU and non-members. Micheline Calmy-Rey, a former Swiss President and Foreign Affairs minister, told us about the Swiss-EU relationship, which is primarily governed by a series of bilateral agreements.²⁵⁶ She emphasised that, for Switzerland, “our relations with the European Union are foreign policy”.²⁵⁷ Nevertheless, there is no formal agreement between Switzerland and the EU covering external affairs, although she indicated that there is regular communication. Noting Switzerland’s neutral status, she said that it seeks to play to its “strengths” in engagement with the EU on foreign policy, for example in peacebuilding and conflict resolution.
165. Professor Michael Ignatieff, a former leader of the Liberal Party of Canada, shared with us the Canadian experience of working with the EU. He acknowledged that the EU was Canada’s third most important partner and mentioned the CETA agreement negotiated in 2016. He noted that this is “understood in Europe and in Canada as primarily an economic linkage rather than a geostrategic or defence linkage”.²⁵⁸ In response to the question of whether the Canadian model of cooperation would work for the UK, Professor Ignatieff was pessimistic.²⁵⁹ It should nevertheless be noted that, separately from CETA, Canada and the EU do have a Strategic Partnership Agreement, which aims to “further deepen and broaden bilateral cooperation on a wide range of issues”, including “international peace and security”.²⁶⁰

Conclusions and recommendations

166. **Events since the TCA came into force—in particular Russia’s invasion of Ukraine and the response to it, but also China’s increasingly assertive actions—have served to underline the mutual benefits to be gained from close and continuing working arrangements between the**

254 Council of the European Union, *Delivery and joint procurement of ammunition for Ukraine* (2023), 7632/23: <https://www.consilium.europa.eu/media/63170/st07632-en23.pdf> [accessed 25 April 2023]

255 Q 39 (Dr Rosa Balfour)

256 Q 75 (Micheline Calmy-Rey)

257 Q 77 (Micheline Calmy-Rey)

258 Q 77 (Prof Michael Ignatieff)

259 Q 76 (Prof Michael Ignatieff)

260 Government of Canada, ‘Strategic Partnership Agreement’: https://www.international.gc.ca/world-monde/international_relations-relations_internationales/spa-aps.aspx?lang=eng [accessed 25 April 2023]

UK, the EU and EU Member States on foreign and security policy issues. We hope that the agreement on the Windsor Framework will allow both the UK and the EU to explore in the spirit of cooperation how to deepen and improve working relations in these areas.

- 167. We acknowledge that a great deal can be achieved through regular diplomatic engagement between the UK and the EU, outside any formal structures. Nevertheless, there would be considerable mutual benefit to this engagement being complemented by some structured arrangements for ongoing interaction and cooperation, for example in response to new and emerging threats.**
- 168. We recommend that the Government should approach the EU without further delay with the aim of establishing appropriate structured cooperation arrangements, as foreseen in the UK-EU Political Declaration of October 2019. These arrangements should be designed to respect the independent rights of both Parties to make decisions in these areas autonomously.**
- 169. We recommend that within any structured cooperation arrangements with the EU the Government should seek to agree arrangements that would enable the UK Foreign Secretary to engage with the EU Foreign Affairs Council at least twice per year. Provisions for Government ministers to be able to participate as a regular guest in other high-level discussions with their EU counterparts, for instance Gymnich meetings, should also be explored with the EU.**
- 170. The Government should continue to invest resources into its bilateral relationships with individual Member States, including on matters relating to foreign policy and security. Strong bilateral relationships can complement closer partnership with the EU institutions, as evidenced by the UK-France Lancaster House Treaties, and the UK-Germany Strategic Dialogue. The Government should seek to work towards a similar bilateral structure with the EU.**

CHAPTER 4: ENERGY SECURITY AND CLIMATE CHANGE

171. This chapter examines the future of the UK-EU relationship in the areas of energy security and climate change. It focuses on four specific areas: energy security; the implementation of the TCA's Title VIII (energy), including electricity trading arrangements and cooperation on the development of renewables in the North Seas; the potential for a link between the respective UK and EU Emissions Trading Schemes (ETS); and the implications for the UK of the EU's proposal for a Carbon Border Adjustment Mechanism (CBAM).²⁶¹

Energy security

Cooperation following the Russian invasion of Ukraine

172. Before the Russian invasion of Ukraine, the EU received around 40% of its gas supplies and 27% of its crude oil supplies from Russia.²⁶² This figure was higher in some individual EU Member States, notably Germany.²⁶³ Since the invasion gas supplies from Russia have been gradually falling (by around 74% in the third quarter of 2022 and beyond).²⁶⁴
173. The UK did not rely directly on Russian gas to the same extent as many EU Member States. In 2021 imports from Russia made up 4% of gas, 9% of oil and 27% of coal.²⁶⁵ Nevertheless, as one expert has written, “[t]he UK is part of the European energy market, which means that UK gas prices are closely linked to those on the continent and that shortages across Europe also affect the UK”.²⁶⁶
174. Analysis by researchers at Bruegel noted that the Russian invasion triggered a “quick and profound reorientation of energy policy in Europe”, as EU Member States sought to move away from dependence on Russian gas supplies.²⁶⁷ An initial plan, titled ‘REPowerEU’, was agreed by Member States in May 2022. This included a package of measures to encourage reduced energy use, diversification of gas supplies and an acceleration of the rollout of renewables.²⁶⁸

261 Proposal for a regulation of the European Parliament and of the Council establishing a carbon border adjustment mechanism, [COM\(2021\) 564](#)

262 European Commission, ‘Questions and Answers on REPowerEU: Joint European action for more affordable, secure and sustainable energy’ (8 March 2022): https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_1512 [accessed 25 April 2023]

263 In 2021, Russia accounted for around 55% of Germany’s gas imports, a level that declined to around 26% by June 2022, following the reduction of supplies through Nord Stream 1. See more: World Economic Forum, ‘Germany takes new steps to tackle the energy crisis’ (24 August 2022): <https://www.weforum.org/agenda/2022/08/energy-crisis-germany-europe/> [accessed 25 April 2023].

264 European Commission, Directorate-General for Energy, News Announcement: ‘New reports highlight 3rd quarter impact of gas supply cuts’, (13 January 2023): https://energy.ec.europa.eu/news/new-reports-highlight-3rd-quarter-impact-gas-supply-cuts-2023-01-13_en [accessed 25 April 2023]

265 House of Commons Library, *Imports of fossil fuels from Russia*, Research Briefing, [CBP 2023/9523](#), March 2023

266 Ed Birkett, ‘An emergency response to the energy crisis: a 5-point plan for the new Prime Minister’, *Onward* (5 September 2022): <https://www.ukonward.com/reports/emergency-response-energy-crisis/> [accessed 25 April 2023]

267 Giovanni Sgaravatti, Simone Tagliapietra, Cecilia Trasi, ‘National energy policy responses to the energy crisis’, *Bruegel* (15 December 2022): <https://www.bruegel.org/dataset/national-energy-policy-responses-energy-crisis> [accessed 25 April 2023]

268 European Commission, ‘REPowerEU: affordable, secure and sustainable energy for Europe’: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en [accessed 25 April 2023]

175. Our witnesses told us that the energy security challenges in Europe following the Russian invasion of Ukraine have afforded greater prominence to the UK-EU energy relationship. Dr Caroline Kuzemko, Co-Lead of Energy GRP at the University of Warwick, said that “the war in Ukraine has changed the atmosphere, because it is now so clear how connected the UK and the EU are on gas and electricity trade”.²⁶⁹ Dr Simone Tagliapietra, Senior Fellow at Bruegel, shared these sentiments, saying that he was “convinced that the Russian aggression in Ukraine and its energy implications actually bring the European Union and the United Kingdom closer on energy co-operation”.²⁷⁰
176. In terms of practical examples of close energy cooperation since the breakout of war, Ed Birkett, Head of Energy and Climate at Onward, told us that the UK has been purchasing liquified natural gas (LNG) from the US and the Middle East and then transporting it to the EU, thus supporting its response to the energy crisis and loss of supplies of Russian natural gas. As he put it, the UK “managed to step forward as a gas bridge, basically, with LNG coming into Wales and pipeline gas coming in from Norway, and both then going across to the EU”.²⁷¹ Matt Hinde, Head of EU Affairs at the National Grid, similarly emphasised that the UK’s LNG terminals have “been pretty key to refilling European gas storage”.²⁷²
177. The UK managed to establish a strong export market for gas, and became a net exporter of electricity, especially in the summer of 2022,²⁷³ with France primarily benefiting, thus “reversing a long-term trend of the UK being a net importer of electricity” from that direction.²⁷⁴ Gas flows from the UK have also gone to Belgium and the Netherlands.²⁷⁵ In addition, Ireland is “100% reliant on the UK for imports of both gas and electricity”.²⁷⁶
178. The UCL Institute for Sustainable Resources told us that the war had accelerated “more serious plans to co-operate on oil and gas security and the reduction of dependence on Russia—including an early warning system”.²⁷⁷ It had also encouraged a greater focus on the role of the UK in the energy map of Europe, including as a “trading hub for natural gas”, and an actor who could help the EU in its pursuit of diversification of gas supplies from Russia.²⁷⁸
179. All of this was possible, as pointed out by our witnesses, as a consequence of the fact that before the breakout of war in Ukraine and earlier, before Brexit, “energy and climate interests and relations were well aligned and the relationship was working”.²⁷⁹ Dr Kuzemko noted that in terms of interconnectors, the UK is connected to Ireland, Norway and other European countries, stressing that there is “no escaping that”.²⁸⁰ (see Figure 1). Post-Brexit, the relationship has changed (see paragraphs 195–208 for a discussion

269 [Q 82](#) (Dr Caroline Kuzemko)

270 [Q 82](#) (Dr Simone Tagliapietra)

271 [Q 82](#) (Dr Caroline Kuzemko)

272 [Q 97](#) (Matt Hinde)

273 [Q 82](#) (Dr Caroline Kuzemko)

274 [Q 81](#) (Ed Birkett)

275 [Q 81](#) (Dr Simone Tagliapietra)

276 [Q 82](#) (Ed Birkett)

277 Written evidence from the UCL Institute for Sustainable Resources ([UKE0052](#))

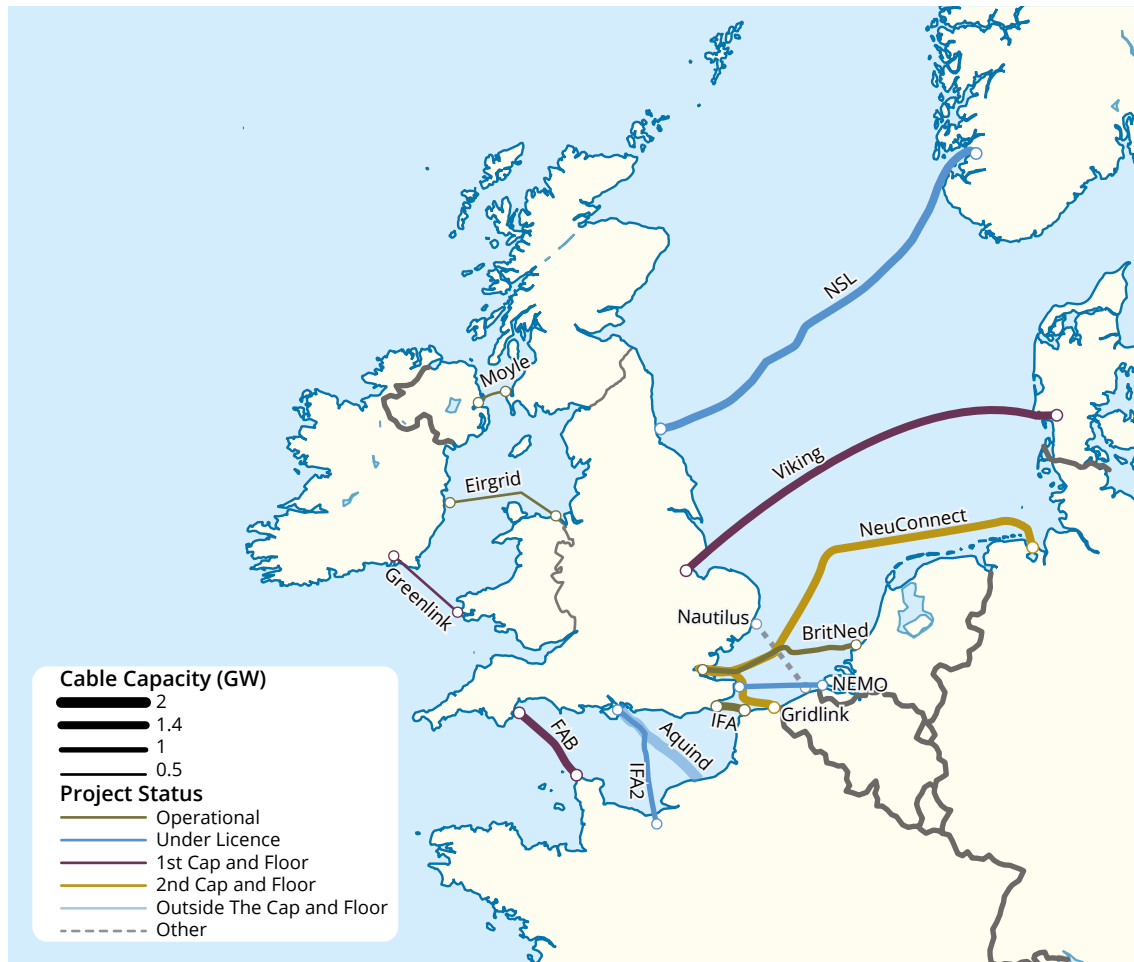
278 *Ibid.*

279 [Q 81](#) (Dr Caroline Kuzemko)

280 *Ibid.*

on the implementation of Title VIII of the TCA).²⁸¹ Nevertheless, this seems to have had a limited impact on cooperation during the crisis caused by Russia's invasion of Ukraine.

Figure 1: Map of electricity interconnectors for England, Wales and Northern Ireland



Source: The Crown Estate, 'Electricity interconnectors', 3 July 2018: <https://www.thecrownestate.co.uk/en-gb/media-and-insights/stories/2018-electricity-interconnectors/> [accessed 25 April 2023]

Possible future challenges

180. Our witnesses noted that the dynamics of the energy crisis could change. Dr Tagliapietra indicated that although the UK has so far provided what he identified as a “lifeline” of energy supply to northern and western European countries, “that situation could swiftly change and these countries could provide support to the UK” in the case of energy shortages.²⁸²
181. Witnesses also drew attention to engagement between the UK and the EU at political level in relation to energy security. While technical level cooperation has been strong, cooperation at political level has been more limited. Mr Birkett told us that “there is the risk of a potential misunderstanding at the political level about steps that are taken during any energy shortage”, for

281 *Ibid.*

282 [Q 81](#) (Dr Simone Tagliapietra)

example cutting energy interconnectors to the UK in the case of “an extreme energy shortage” could be “misinterpreted politically”.²⁸³

182. Other witnesses saw potential uncertainties as a consequence of the UK’s exit from the EU energy solidarity mechanism. Silke Goldberg, Global Head of ESG at Herbert Smith Freehills, noted that if there was a critical supply shortage as an EU member, the UK could “then call on its European neighbours to continue to supply it with electricity” but that is “no longer the case” post-Brexit. She argued that “improving this is essential”.²⁸⁴ Adam Berman, Deputy Director of Policy at Energy UK, suggested there was a “need to ensure that we have really clear dialogue and rules in place”.²⁸⁵ SSE similarly argued that, in light of the current challenges, “the UK and the EU should put in place a comprehensive energy relationship outside of the Trade and Cooperation Agreement (TCA) as a matter of urgency”.²⁸⁶
183. Our witnesses called for closer cooperation between political leaders, especially to plan for energy shortages. Mr Birkett indicated that “[a] lot of that can be done bilaterally between Energy Ministers”.²⁸⁷ He identified the positive impact of the inaugural meeting of the EPC (see Chapter 2), where the then UK Prime Minister was able to reinforce the message about the need to “keep the energy flowing”.²⁸⁸
184. Nevertheless, Mark Copley, CEO of the European Federation of Energy Traders, told us that “it is worrying that the Specialised Committee on Energy has met only a couple of times” in 2022.²⁸⁹ Meanwhile, Jonny Peters, Senior Policy Adviser at E3G said that “while we have seen events driving forward progress at the diplomatic and technical levels, we have not seen that happening yet at the political level”.²⁹⁰

Building future energy security resilience

185. Our witnesses, giving evidence in late autumn 2022, expressed a lot of concern about energy security challenges during the forthcoming winter. Many of those concerns were alleviated by the warmer than usual winter, which contributed to lower than expected demand for energy in Europe.²⁹¹ Nevertheless, Dr Tagliapietra suggested that the winter of 2023–24 might bring further challenges, which underlines the urgency of the situation. Looking towards the future, the EU is developing a joint-purchasing mechanism of LNG, conscious that in the future liquified gas will play a more prominent role as a substitute to Russian gas. During the autumn and winter of 2022–23 Russian gas was still used to fill storage facilities. That may prove impossible in the future, given that Russia will not resume gas supplies to Europe until sanctions will be lifted.²⁹² Dr Tagliapietra suggested

283 [Q 82](#) (Ed Birkett)

284 [Q 111](#) (Silke Goldberg)

285 [Q 98](#) (Adam Berman)

286 Written evidence from SSE ([UKE0053](#))

287 [Q 87](#) (Ed Birkett). See also [Q 87](#) (Dr Simone Tagliapietra).

288 [Q 82](#) (Ed Birkett)

289 [Q 98](#) (Mark Copley)

290 [Q 110](#) (Jonny Peters)

291 Bruegel, Preparing for the next winter: Europe’s gas outlook for 2023’, (2 February 2023): <https://www.bruegel.org/policy-brief/european-union-gas-survival-plan-2023> [accessed 13 April 2023]

292 [Q 81](#) (Dr Simone Tagliapietra). See also: ‘Russia will not resume gas supplies to Europe until sanctions lifted, says Moscow’, *The Guardian* (5 September 2022): <https://www.theguardian.com/world/2022/sep/05/russia-will-not-resume-gas-supplies-to-europe-until-sanctions-lifted-says-moscow> [accessed 25 April 2023].

that the “key challenge for the European Union, but also for the UK, will be how to navigate this very tight LNG market”.²⁹³

186. Witnesses noted that ongoing energy security challenges may not only be related to the consequences of the war in Ukraine. In 2022 there were also problems with nuclear power stations in France and extremely hot summer weather had an impact on the hydropower production.²⁹⁴ There are also risks from technical outages.²⁹⁵ Sabotage of Nord Stream 1 and 2 have highlighted further challenges to the existing energy infrastructure.²⁹⁶ Finally, there are political risks stemming, for example, from different strategies on how to address these challenges. E3G identified a degree of divergence in the respective UK and EU responses to the energy security challenges in 2022–23, with the Commission’s policy initiatives focused more on demand reduction, whereas the UK Government has prioritised market interventions designed to limit consumer energy bills.²⁹⁷ There is a resulting risk of political misunderstanding in the absence of dialogue.
187. Witnesses suggested there was a need for an increase in the number of electricity interconnectors between the UK and the EU. Mr Birkett told us this was necessary “so that renewable energy resources can be shared across the continent”.²⁹⁸ Ms Goldberg noted that current interconnector capacity is just under 8GW whereas Ofgem would like to see 18GW of interconnector capacity, indicating that “a significant number of interconnectors will need to be built to meet that”.²⁹⁹
188. We were told that the significant differences between the energy mixes of the UK and many EU Member States strengthened the case for additional interconnectors, primarily electricity interconnectors, especially in light of the green transition.³⁰⁰ For instance, a significant proportion of the UK’s renewable energy is from wind power, whereas countries such as Spain have focused more on solar energy (see Figure 2).

293 [Q 83](#) (Dr Simone Tagliapietra)

294 [Q 84](#) (Dr Simone Tagliapietra)

295 [Q 83](#) (Ed Birkett)

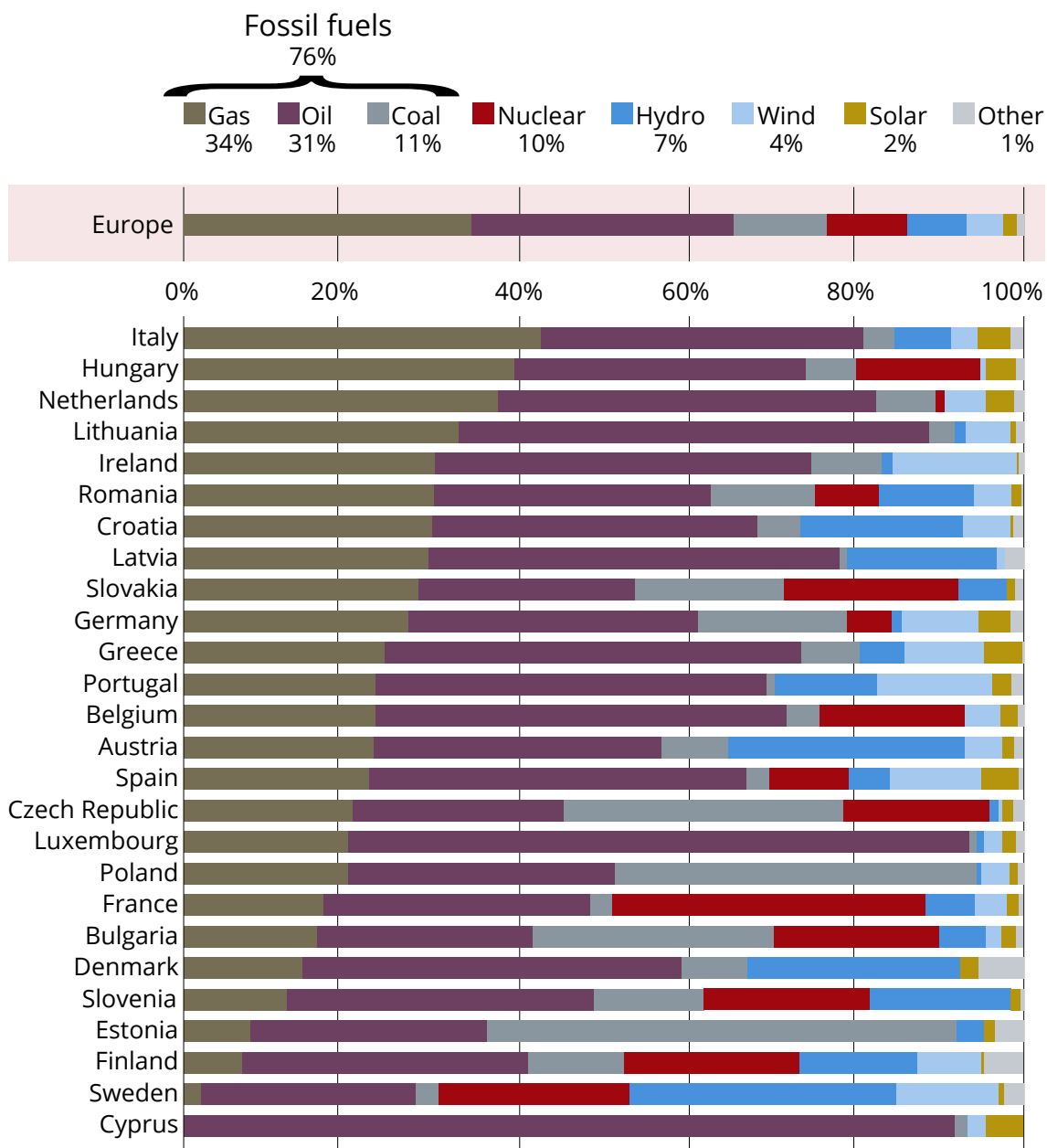
296 [Q 86](#) (Dr Simone Tagliapietra)

297 Written evidence from the UCL Institute for Sustainable Resources ([UKE0052](#)) and [Q 82](#) (Ed Birkett)

298 [Q 91](#) (Ed Birkett)

299 [Q 111](#) (Silke Goldberg)

300 [Q 91](#) (Ed Birkett)

Figure 2: Energy mixes of EU Member States

Source: Al Jazeera, 'Infographic: How much of Europe's energy comes from gas?' (6 September 2022): <https://www.aljazeera.com/news/2022/9/6/infographic-how-much-of-europes-energy-gas> [accessed 25 April 2023]

189. The Minister for Europe told us that in his assessment “energy co-operation is in a good place”. He also indicated that “there is the prospect of a greater number of electrical interconnectors between us and the European mainland in one form or another”, which he considered would be “very welcome”.³⁰¹

Conclusions and recommendations

190. **We welcome the close technical cooperation between the UK and the EU in response to the energy security challenges in Europe since the Russian invasion of Ukraine, and that to date energy trading between the UK and the EU has continued without disruption.**

301 [Q 204](#) (Leo Docherty MP)

191. **However, we regret that the TCA's Specialised Committee on Energy met only twice in 2022, despite the unprecedented crisis. Following the agreement on the Windsor Framework, we expect that this forum will now be more active.**
192. **We recommend that the close technical cooperation on energy security between the UK and the EU should also be extended to the political level, including through regular meetings at the level of the Secretary of State for Energy Security and Net Zero and the European Commissioner for Energy.**
193. **We call on the Government to approach the EU, without further delay, with the aim of reaching an agreement to guarantee that energy flows between the UK and the EU would be maintained in the event of a critical shortage of energy supply.**
194. **We recommend that the UK and the EU should cooperate closely on the installation of additional multipurpose interconnectors of substantial capacity, which will be needed to support energy security in the future. We ask the Government to update us on the extent of such cooperation in its response to this report.**

Implementation of the TCA's energy Title (Title VIII)

195. As outlined by Dr Kuzemko, cooperation between the UK and the EU on energy takes place within the context of Title VIII of the Trade and Cooperation Agreement.³⁰² This established the Specialised Committee on Energy to oversee the majority of the provisions agreed between the UK and EU.
196. Dr Kuzemko indicated that one of the main roles of this Specialised Committee is “to implement the relevant titles in the TCA and conclude supplementary agreements on trade rules for electricity”, but despite an existing technical alignment, “it has not been able to do that because of the wider political relationship”. Dr Kuzemko put it that this technical alignment “has been somewhat held hostage”.³⁰³ When asked for further explanation, she suggested that this was linked with the lack of trust. Talks on the next stage of trading rules on gas and electricity had been “specifically ... held back because the EU does not want to sign a new agreement when it does not feel that it can trust the UK, given the Northern Ireland Protocol Bill.”³⁰⁴ We note, however, that witnesses were speaking before the announcement of the Windsor Framework.
197. On electricity trading arrangements, our witnesses noted that the April 2022 deadline set out in the TCA for an agreement on moving towards a more efficient arrangement has been missed.³⁰⁵ Mr Birkett told us that “we have been kicked out of the most efficient form of trading arrangements” and that “can lead to higher costs for consumers and effectively keep the energy flowing the wrong way compared with what it should be doing, based on prices”.³⁰⁶

302 [Q 81](#) (Dr Caroline Kuzemko)

303 [Q 82](#) (Dr Caroline Kuzemko)

304 [Q 87](#) (Dr Caroline Kuzemko). See also [Q 97](#) (Adam Berman) and [Q 98](#) (Matt Hinde).

305 [Q 111](#) (Silke Goldberg)

306 [Q 91](#) (Ed Birkett)

North Seas Energy Cooperation

198. Dr Kuzemko noted that North Sea energy cooperation “is another really strong motivation for both sides to improve the relationship”, especially in the context of the Government and the EU’s ambitions to ensure that renewable energy becomes a larger part of their respective energy mixes.³⁰⁷

Box 5: North Seas Energy Cooperation

European cooperation on energy in the North Seas (including neighbouring waters to the North Sea such as the Irish Sea) started in 2010 when an MoU was signed by the UK, France, Germany, Ireland, Belgium, the Netherlands, Luxembourg, Sweden, Denmark and Norway, together with the European Commission. This was later replaced, in 2016, by a Political Declaration with the same signatories, formally establishing the North Seas Energy Cooperation (NSEC). This identified the purpose of the NSEC as to facilitate “the cost-effective deployment of offshore renewable energy, in particular wind” and promote interconnection between the countries in the region.³⁰⁸

The UK ceased to be a member of the NSEC at the end of the post-Brexit transition period. However, the TCA provides, under Article 321³⁰⁹, for cooperation between the UK and the EU on the development of offshore renewable energy. The TCA also refers to the establishment of a “specific forum for technical discussions” in relation to this commitment.

In December 2021 the remaining NSEC members agreed a renewed Political Declaration. This specified that “[a]ll work in the North Seas Energy Cooperation should be in line with relevant EU legislation, the EEA agreement, as well as with existing obligations under international law”.³¹⁰ It also states that third countries “can be consulted at a technical level” and that “for more structural, regular and ongoing cooperation a MoU could be concluded by the signatories of the Political Declaration and the potential third country”.

In September 2022 the NSEC agreed a new target to build a minimum of 260GW of offshore wind in the North Sea region by 2050, with intermediate targets of at least 76 GW by 2023 and 193 GW by 2040.

307 **Q 88** (Dr Caroline Kuzemko)

308 North Seas Energy Cooperation, *Political Declaration on energy cooperation between the North Seas Countries* (2016): https://energy.ec.europa.eu/system/files/2016-06/Political%2520Declaration%2520on%2520Energy%2520Cooperation%2520between%2520the%2520North%2520Seas%2520Countries%2520FINAL_0.pdf [accessed 25 April 2023]

309 Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland, of one part, and the European Union and the European Atomic Energy Community, of the other part (30 December 2020), Article 321: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/982648/TS_8.2021_UK_EU_EAEC_Trade_and_Cooperation_Agreement.pdf [accessed 25 April 2023]

310 North Seas Energy Cooperation, *Political Declaration on energy cooperation between the North Seas Countries and the European Commission on behalf of the Union* (2021): https://energy.ec.europa.eu/system/files/2021-12/20211124-nsec_political_declaration.pdf [accessed 25 April 2023]

Following the inaugural meeting of the European Political Community in October 2022 it was reported that the then Prime Minister had secured agreement on an MoU for the UK to work with the NSEC.³¹¹ On 18 December 2022 this MoU was signed.³¹² The MoU provides a framework for voluntary cooperation on joint projects, and for the UK to attend meetings at the invitation of NSEC members, but falls short of the UK actually rejoining the cooperation group.³¹³

199. The UK's relationship with the NSEC (see Box 5) was raised by several witnesses. Most of the evidence sessions that covered this theme took place in November 2022, at which point it had been reported that the UK and the NSEC were to agree an MoU, but this had yet been published. The consensus among our witnesses was that it was important for the UK to re-engage with the NSEC, given the scale of respective plans to develop offshore renewables in the North Seas region.³¹⁴
200. Dr Kuzemko described the NSEC as a “really vital body” within the context of the respective UK and EU emissions reduction targets.³¹⁵ She said that the plans for development of offshore wind were on a “grand scale” and argued that “for the UK to regain a seat at that table is incredibly important”, but at the same time she acknowledged that full membership may require signing up to the rules of the EU single market.³¹⁶
201. Mr Birkett argued that the “world we are moving to now is that of multipurpose interconnectors, where way you might have an offshore wind farm that is connected to two or even three countries”.³¹⁷ He said that this made multilateral cooperation in formats such as the NSEC more important than in the past.³¹⁸
202. Mr Hinde emphasised that current UK and EU plans for the North Sea involve “an enormous amount of infrastructure in a relatively small area”. He argued that the NSEC provides a “platform for[...] political and regulatory discussions that has not existed post Brexit”.³¹⁹ Mr Copley added that he could not “see a way for the EU and UK to reach their net-zero

311 ‘UK to sign deal with EU energy partnership amid thawing relations’, *Financial Times* (6 October 2022): available at <https://www.ft.com/content/e7faef6b-f2a3-4622-a51b-896b7d25e45d> [accessed 25 April 2023]

312 North Seas Energy Cooperation, ‘Memorandum of Understanding on Offshore Renewable Energy Cooperation between the participants of the North Seas Energy Cooperation (NSEC), of the one side, and the United Kingdom of Great Britain and Northern Ireland, of the other side’ (18 October 2022): <https://energy.ec.europa.eu/system/files/2022-12/NSEC%20UK%20MoU%20signed.pdf> [accessed 25 April 2023]

313 Following the publication of the MoU the Committee requested an EM from the Government enabling us to scrutinise the agreement. In subsequent correspondence the Minister indicated that the UK was not a full member of the NSEC, unlike another non-EU member, Norway, because “as an EEA member, Norway is bound by EU energy market rules, whereas the UK is not”. He added that he expects the UK to be invited to a “substantial proportion of the meetings under the NSEC work programme, with the only ones not open to us being those where future EU policy will be discussed”. Letter from Rt Hon Graham Stuart MP to Lord Kinnoull (21 March 2023): <https://committees.parliament.uk/publications/38978/documents/191613/default/> On 25 April 2023 the Secretary of State for Energy Security and Net Zero attended a summit meeting on North Sea renewable energy in Ostend, Belgium. See also: ‘European countries pledge huge expansion of North Sea wind farms’, *The Guardian* (24 April 2023): <https://www.theguardian.com/environment/2023/apr/24/european-countries-pledge-huge-expansion-of-north-sea-wind-farms> [accessed 25 April 2023]

314 Q 88 (Dr Caroline Kuzemko, Dr Simone Tagliapietra, Ed Birkett)

315 Q 88 (Dr Caroline Kuzemko)

316 *Ibid.*

317 Q 89 (Ed Birkett)

318 *Ibid.*

319 Q 102 (Matt Hinde)

decarbonisation targets at a reasonable cost without developing the North Sea”, and that “[i]f you want to develop the North Sea, you need co-ordinated planning, operation and trading, and you need to work together”.³²⁰

203. Lord Hague welcomed the signing of the MoU, stating that “it is significant” and a “wholly positive thing”. He underlined the fact that it is expected to “support the UK’s target to increase offshore wind fivefold”.³²¹

204. The Minister suggested that the MoU with the NSEC will “further deepen our already impressive level of interconnection and collaboration in the North Sea”.³²² Mr Henricson-Bell added that the Government has a clear target for the scale of interconnection by 2030, and that:

“There are a series of additional interconnectors that need to be pushed through. That is largely private sector money, but it needs public sector support and regulation. That is the framework that needs to be put in place. The North Seas Energy Cooperation format provides for exactly the kind of regulatory, technical and project co-ordination that he was referring to. We are very much committed to making sure that that happens”.³²³

Conclusions and recommendations

205. **We urge the UK and the EU to conclude an agreement to deliver on the provisions in the TCA relating to energy trading without further delay, now that the agreement on the Windsor Framework has been reached. We ask the Government to provide us with an update on this in response to this report.**

206. **We welcome the Memorandum of Understanding between the UK and the North Seas Energy Cooperation, so far as it goes. Engagement between the UK and other North Seas countries on the development of renewable energy infrastructure in the North Seas, including Multipurpose Interconnectors, is essential in light of the ambition of respective decarbonisation targets.**

207. **We recommend that the Government keep under review whether the MoU provides for sufficiently close cooperation with the NSEC or whether there would be benefits to seeking a further agreement, providing for full membership. We also ask the Government to explain the rationale for not seeking full membership in its response to this report.**

208. **We note that the energy provisions under Title VIII of the TCA expire in June 2026 and recommend that the Government seeks to reach an agreement with the EU to extend these, as part of the TCA review in 2025, to ensure that cooperation can continue and expand.**

Emissions trading schemes

209. The UK left the EU Emissions Trading Scheme at the end of the post-Brexit transition period. A separate UK Emissions Trading Scheme was established, which is very similar in design to the EU scheme. This first traded in May

320 [Q 102](#) Mark Copley

321 [Q 182](#) (Lord Hague)

322 [Q 204](#) (Leo Docherty MP)

323 [Q 206](#) (Olaf Henricson-Bell)

2021 and the carbon price has since been similar to that in the EU scheme, although this is potentially subject to variation.³²⁴ Dr Kuzemko noted that the size of the EU ETS market is “about 11 times greater” than the UK one.³²⁵

210. The opening paragraphs of the TCA, as noted by Dr Kuzemko, include commitments from both sides to maintain climate change mitigation policies.³²⁶ Both the UK and the EU are legally committed to net zero carbon emissions by 2050, and have similar policy structures in place, especially in relation to emissions trading.³²⁷ Mr Peters noted that shared climate ambition is “locked-in law in a few different areas, both in national systems and under the TCA”.³²⁸ Ms Goldberg concurred that climate change “has effectively been elevated to one of the core level playing field elements”, an uncommon feature in previous trade agreements.³²⁹
211. Mr Peters observed that after the TCA was signed, and ahead of COP26, both the UK and the EU upgraded their 2030 emissions reduction targets—the UK to at least 68%, the EU to at least 55%. He added that “the UK’s figure of at least 68% would have been roughly the UK’s effort share if it was still an EU member state”, which he felt was an indication that “we have seen this broad equivalence progressing, even in the Brexit context”.³³⁰ He noted, however, that while targets seem to be aligned, policies for achieving them may differ. For example, the UK is more favourable to carbon capture and storage than the EU, while EU Member States may increase their investment in hydrogen, outspending the UK in this regard.³³¹ Still, COP26 was the last perfect opportunity for both sides to discuss climate change mitigation targets. Mr Peters was concerned that “now that the COP 26 presidency is over, there is less of a reason for the EU to talk to the UK ... The UK is a smaller country when you look at the global mitigation efforts. The UK is not the US, China or the EU, so the reasons to talk to us are fewer”.³³²

Linking the UK ETS and the EU ETS

212. Dr Kuzemko referred to a consensus among experts that “given the opportunity, the UK should link back to the EU ETS”. She acknowledged that the UK ETS was “up and running faster than expected” and had set a higher price for carbon than the EU scheme, but said that “it is of course far less liquid than the EU ETS and there is a higher UK ETS price, so there are knock-on costs for the industries involved”.³³³
213. Mr Berman argued that linking the UK and EU ETS would allow the UK to reach net zero “faster and more effectively”, that it would have benefits in terms of liquidity and that it would also have advantages in terms of “price stability and in making sure we do not have any volatility”.³³⁴ Mr Peters made a similar argument in favour of establishing a link, saying that he could

324 Q 92 (Dr Simone Tagliapietra)

325 Q 94 (Dr Caroline Kuzemko)

326 Q 92 (Dr Caroline Kuzemko)

327 Q 97 (Adam Berman)

328 Q 114 (Jonny Peters)

329 Q 114 (Silke Goldberg)

330 Q 114 (Jonny Peters)

331 *Ibid.*

332 *Ibid.*

333 Q 94 (Dr Caroline Kuzemko)

334 Q 105 (Adam Berman)

“name only upsides”.³³⁵ Mr Copley and Mr Hinde also offered their support for linkage.³³⁶

214. Witnesses stressed that the case for a linked Emissions Trading Scheme was strengthened further in the context of the EU’s proposals for a Carbon Border Adjustment Mechanism (CBAM). This is discussed in more detail later in the chapter.
215. Mr Berman expressed optimism about a possible link. In his opinion, the EU and the UK could follow the framework developed during similar negotiations between the EU and Switzerland. He indicated that, given the similarities of the UK and the EU schemes, he was “confident that we could have this done in relatively short order”.³³⁷ Written evidence provided by E3G also referred to the existing precedent of the link between the Swiss and EU Emissions Trading Schemes and emphasised that if any link followed the Swiss model the UK “would not lose sovereignty” over the design of its ETS, as the link allows for the exchange of credits under a shared carbon price but not for full market integration”.³³⁸
216. Mr Berman told us that the agreement “would work for both parties”. From the perspective of the Commission, it “would represent the definition of a level playing field, which the EU loves”. From the UK’s perspective that would be “an international trade mechanism” which “retains a full set of revenues and the vast majority of the rules of the system”.³³⁹ Mr Copley outlined “reasons for optimism”: both schemes are very similar; there is a precedent to follow (the agreement with Switzerland) and a lot of “preparation for linking” was done “in the run-up to Brexit”.³⁴⁰
217. Mr Berman suggested how potential negotiations might play out:

“The EU would probably ask, in some hypothetical negotiation, for the UK to include more sectors under its ETS as they are moving towards that. The UK would probably ask the EU to include negative emissions under their ETS because it would be at a strategic advantage, with a huge nascent CCS industry and a lot of North Sea to be able to incentivise that. So I do not see it as a sovereignty issue”.³⁴¹
218. Mr Peters also suggested that a potential agreement would not have consequences for the UK’s sovereignty. He argued that “the UK is not losing any sovereignty here, because this is a market. Ultimately, the carbon price is dictated by the market, so the UK is not losing any sovereignty in terms of its policy decisions ... linked systems remain independent of each other”.³⁴²
219. On the contrary, Mr Birkett considered that trying to link the UK and EU ETS would have sovereignty implications. In his view this would, for example, mean that the UK would have to align itself with the EU rules on emissions and be subject to the CJEU’s jurisdiction in that area. He indicated, however, that there would also be downsides to not linking, in particular “more volatile

335 [Q 115](#) (Jonny Peters)

336 [Q 105](#) (Mark Copley, Matt Hinde)

337 [Q 105](#) (Adam Berman)

338 Written evidence from E3G ([UKE0038](#))

339 [Q 105](#) (Adam Berman)

340 [Q 105](#) (Mark Copley)

341 [Q 105](#) (Adam Berman)

342 [Q 115](#) (Jonny Peters)

carbon prices, which increases uncertainty for investors”. He suggested that the decision on whether to seek a link ultimately “comes down to a political judgment for the Government”.³⁴³

220. Mr Birkett also put forward some proposals to mitigate the risks of volatility from a smaller and stand-alone scheme if a link is not pursued, including “having a long-term rising floor price in the UK ETS [...] as well as a price cap in the UK ETS”.³⁴⁴
221. Dr Tagliapietra told us that it is highly unlikely that the EU would be keen to do anything that would weaken its ETS, “but, if it is properly managed, a linkage of the two systems might be technically achievable, and politically acceptable”.³⁴⁵

Conclusions and recommendations

222. **We recommend that the UK approach the EU to explore the feasibility of linking their respective Emissions Trading Schemes. We note that the evidence we received on the implications of a shared scheme for UK sovereignty in this area was mixed, but we believe that following the Swiss precedent, such a policy could be implemented without negatively effecting the UK’s autonomy to design its own trading scheme. The evidence we received indicated that there would be significant mutual benefits to be gained from such an arrangement.**
223. **We understand that aspects of these negotiations may prove to be complex but the Government should enter discussions in a “can-do” spirit. Since the UK and EU Emissions Trading Schemes are currently similar in design and scope, it is likely that a link would be easier to achieve sooner rather than later, given the possibility of greater divergence over time.**

343 [Q 94](#) (Ed Birkett)

344 *Ibid.*

345 [Q 94](#) (Dr Simone Tagliapietra)

The implications for the UK of the EU's proposal for a Carbon Border Adjustment Mechanism (CBAM)

Box 6: Carbon Border Adjustment Mechanisms

In December 2022, the Council of the EU agreed its general approach to the Commission's proposed Carbon Border Adjustment Mechanism (CBAM). Under the EU's legislative process, the draft Regulation is now the subject of negotiations with the European Parliament.

A CBAM is, in basic terms, a charge levied at the border proportionate to the amount of carbon emitted during production of imported goods. The EU sees this as necessary to ensure the effectiveness of its wider efforts to combat climate change. Without a CBAM in place the EU foresees a risk that energy-intensive industries might relocate outside the EU and then sell their goods back into the EU, effectively undercutting EU-based industry that would be subject to other carbon-reduction policies such as the EU ETS. This problem is referred to as "carbon leakage".

Under the EU's current CBAM proposal, countries with an ETS linked to the EU's would be excluded from charges. As the UK and EU schemes are not currently linked it is possible that border carbon adjustments could apply between the UK (or potentially Great Britain)³⁴⁶ and the EU.

224. Dr Tagliapietra told us that CBAM, by design, is aimed at mirroring the EU Emissions Trade System (ETS):

"If a third country has its own emissions trading system that will be taken into consideration—so if the UK and the EU emissions trading systems are delivering a very similar carbon price—basically no CBAM will be applied to the goods being exported from the UK into the European Union, because that will be taken into due consideration".³⁴⁷

225. However, Mr Berman listed three ways in which CBAM could potentially affect the UK. First, it would introduce a regulatory barrier. UK companies exporting to the EU would have to provide assessments of the carbon footprint of their products and prove that carbon price was paid in the UK. Secondly, if the carbon price in the UK was lower than in the EU, then companies would be obliged to pay the difference to the EU countries. If the price of carbon in the UK was higher, British companies would lose out in terms of competitiveness. Thirdly, as discussed further below, the Commission has previously indicated that a CBAM would fall within the scope of the

³⁴⁶ The position regarding the application of the proposed CBAM to Northern Ireland under the terms of the Protocol and now, the Windsor Framework, is currently unclear. In October 2021, the Government submitted an EM to Parliament on the Commission's proposed Regulation which was sent to the Protocol on Ireland/Northern Ireland Sub-Committee for examination. In its EM, the Government confirmed the Commission's view that the proposal fell within the Protocol's scope and should be added to the list of EU law that applies to Northern Ireland in accordance with Article 13(4). In its EM, however, the Government said, it "is unclear whether and how this measure, if implemented, would apply to Northern Ireland and how it would interact with the Protocol". When pressed by the Sub-Committee for clarity the Government said, the "EU's draft legislation on EU CBAM is silent on this point. However, the EU has signalled that it considers the measure to be new legislation in scope of the Protocol". In response, the Committee noted that the Government "was unable to answer" its questions about this issue and sought an update when the Government has decided; no further update has, as yet, been received. For more details, see Protocol on Ireland/Northern Ireland Sub-Committee, *Scrutiny of EU Documents* (26 March 2021–9 May 2022): <https://www.parliament.uk/globalassets/documents/lords-committees/protocol-on-ireland-northern-ireland/nipc-cwm-2021-2022-09.05.22.pdf> pp 116–117

³⁴⁷ Q 92 (Dr Simone Tagliapietra)

Protocol on Ireland/Northern Ireland, although the Government did not express a view on this (see footnote 346). It is not yet clear what impact the Windsor Framework agreement might have on this.³⁴⁸

226. An additional challenge, identified by Mr Birkett, is a possible carbon tariff on UK-produced electricity.³⁴⁹ Mr Hinde provided further information about the potential complexity of such a charge on electricity, saying that “it is very difficult to prove the carbon intensity of the generation in the UK or anywhere, because you tend to trade electricity anonymously on exchanges”.³⁵⁰
227. Witnesses stressed that the implementation of the EU CBAM could place a significant administrative burden for energy-intensive industries exporting to the EU. Mr Peters explained that “there are really serious non-tariff barriers when it comes to CBAM”, including “monitoring, reporting, verifying emissions, communicating with the new CBAM authority”.³⁵¹ Dustin Benton, Policy Director at Green Alliance, made a similar point. He said that the UK is “very unlikely to pay CBAM fees” because the carbon price is higher, but exporters would be “filling out lots of declaration forms and red tape, basically”.³⁵²
228. We were told, in line with the Commission’s view, that any EU CBAM could potentially apply to Northern Ireland under the terms of the Protocol.³⁵³ UK in a Changing Europe indicated that a CBAM therefore had the potential to “thicken the sea border” by introducing additional friction to trade between Northern Ireland and Great Britain, while Mr Berman suggested that a CBAM “could also constitute a significant barrier for companies in Northern Ireland wishing to trade with the Republic of Ireland”.³⁵⁴ It is not yet clear how this will be affected by the changes to arrangements introduced under the Windsor Framework.
229. Our witnesses provided us with suggestions on possible steps that might be taken to mitigate the potential implications of the EU CBAM policy for the UK. The starting point, in the opinion of several of those we heard from, would be for the UK and the EU to at least discuss the implications of the EU CBAM, rather than wait until the EU establishes the system.³⁵⁵ Mr Birkett suggested that the UK Government should “get out ahead on carbon border adjustments”. The UK, in his opinion, should be looking “to stick relatively closely to the EU’s plans, or to offer improvements if we can see them”.³⁵⁶
230. The consensus among witnesses was that the most realistic way of securing an exemption from the policy for the UK would be to link the respective UK and EU Emissions Trading Systems. For instance, Mr Berman said that “[t]he EU has made clear that there is only one way for the UK to ensure that the CBAM does not apply to it and that is linking emissions trading systems”.³⁵⁷ Similarly, Jonny Peters of E3G said that the “only way to address

348 [Q 107](#) (Adam Berman)

349 [Q 92](#) (Ed Birkett)

350 [Q 107](#) (Matt Hinde)

351 [Q 116](#) (Jonny Peters)

352 [Q 116](#) (Dustin Benton)

353 [Q 107](#) (Adam Berman) and written evidence from Gaia Lisi, Dr Markus Gehring and Nick Scott ([UKE0047](#))

354 [Q 107](#) (Adam Berman)

355 [Q 93](#) (Dr Caroline Kuzemko, Ed Birkett)

356 [Q 92](#) (Ed Birkett)

357 [Q 107](#) (Adam Berman)

this is by having a linked ETS, in the same way that Switzerland has an exemption from the EU CBAM because of its linking arrangement with the EU”.³⁵⁸ Dr Tagliapietra added that the UK can replicate EU CBAM in the same way that it has replicated the EU’s ETS.³⁵⁹

231. Mr Hinde noted that there is a list of countries that will not be covered by the EU CBAM, including Norway, Switzerland, Iceland and the Energy Community Treaty countries. He said that “[f]inding a way for the UK to join that list would be the other way of doing this, if we are not going to link”.³⁶⁰
232. Mr Henricson-Bell told us that the Government was in fact “tightly plugged in” with the European Commission when the CBAM proposal was designed. He indicated that given “the very close similarities of our ETS systems at the moment, we would expect—and the EU knows—that, in any operation of the CBAM, the equivalence of our carbon pricing would be taken into account.” He also acknowledged the requirements imposed by CBAM on British companies and confirmed that the Government is working on that, with the European Commission. The UK has observer status at the EU informal expert group on CBAM, allowing it to feed into the process.³⁶¹
233. In response to a report from the House of Commons Environmental Audit Committee in 2022, the Government committed to consulting on options for combatting carbon leakage and to building a “full understanding” of the EU proposal and its implications for the UK.³⁶² A consultation on options to address ‘carbon leakage’, including the possibility of a CBAM, was subsequently launched by the Government in March 2023.³⁶³
234. When asked about the possible impact of the EU CBAM on UK businesses, the Minister for Europe told us that “the central proposition is that we will have our own similar system whereby we will achieve a similar, if not better, standard. As long as we co-ordinate, we are all basically trying to move in the same direction. We do not see a circumstance where there is significant disadvantage to our own side”.³⁶⁴ It was not entirely clear whether this amounted to an indication that the UK will introduce its own CBAM.

Conclusions and recommendations

235. **The EU’s proposed Carbon Border Adjustment Mechanism (CBAM) is a clear example of how EU policy developments can have important implications for the UK, and of the need for the Government to engage early with the EU policy process to promote and protect the UK’s interests. There could be serious risks in terms of trade diversion and damage to mutual UK-EU trade if their respective CBAMs on third country trade were to diverge substantially.**

358 [Q 115](#) (Jonny Peters)

359 [Q 93](#) (Dr Simone Tagliapietra)

360 [Q 107](#) (Matt Hinde)

361 [Q 207](#) (Olaf Henricson-Bell)

362 Government response to: Environmental Audit Committee, *Greening imports: a UK carbon border approach* (Fifth Report, Session 2021–22, HC737) <https://publications.parliament.uk/pa/cm5803/cmselect/cmenyaud/371/report.html>

363 HM Treasury, ‘Open Consultation: Addressing carbon leakage risk to support decarbonisation’ (30 March 2023): <https://www.gov.uk/government/consultations/addressing-carbon-leakage-risk-to-support-decarbonisation> [accessed 25 April 2023]

364 [Q 207](#) (Leo Docherty MP)

236. **We consider that the potential implications of the EU CBAM for the UK, including for trade between Great Britain and Northern Ireland, further strengthens the argument for linking the UK and EU Emissions Trading Schemes.**
237. **In response to this report we ask the Government to update us on what discussions have taken place with the EU about CBAMs so far, including where in the existing TCA structure the subject of CBAMs has been discussed.**

CHAPTER 5: MOBILITY OF PEOPLE

Business and professional mobility

238. In 2019, the last full pre-COVID-19 pandemic year during which the UK was a member of the EU, an estimated 4.8 million UK nationals and 5.6 million EU nationals visited the EU and UK, respectively, for work purposes.³⁶⁵
239. Free movement of people between the UK and the EU ended following the post-Brexit implementation period.³⁶⁶ The TCA includes some provisions intended to facilitate specific categories of business and professional mobility.³⁶⁷ However, the ability to make use of these provisions is subject to strict eligibility criteria and conditions, for instance related to experience and professional status.³⁶⁸ Furthermore, visa-free travel within the Schengen area is restricted to 90 days or less in a 180-day period. Business travel that falls outside of the provisions of the TCA is regulated by the rules in individual Member States.
240. For longer-term migration, the UK has introduced a new immigration system under which EU citizens without (pre-)settled status are subject to the same rules as those from elsewhere. Jonathan Portes, Professor of Economics and Public Policy at King's College London, indicated to us that this has resulted in a "reorientation of UK migration flows".³⁶⁹ Overall levels of inbound migration from the EU had fallen considerably, but this had been offset by a substantial increase in migration from elsewhere.
241. The coincidence of the introduction of the TCA and restrictions on travel imposed during the COVID-19 pandemic meant that many of the practical effects of the new arrangements were not fully experienced by businesses and professionals until 2022. Nevertheless, the overwhelming majority of those who provided evidence to us on this topic considered that a sufficient period had now passed following the lifting of COVID-19-related travel restrictions to identify the implications of the TCA provisions for mobility.³⁷⁰

Inward mobility

242. The impact of post-Brexit changes on patterns of inward mobility has varied between sectors and types of role. William Bain, Head of Trade Policy at the British Chambers of Commerce (BCC), told us that there had been an "increase in the levels of professional persons coming into the UK to perform business functions", but a "massive fall in the number of lower-skilled workers who have been able to come into the UK".³⁷¹ He suggested that there was a link between this trend and the well-documented labour shortages that have recently been experienced in some sectors.³⁷² Based on membership surveys conducted by the BCC, Mr Bain identified hospitality, catering and tourism;

365 Written evidence from BEIS ([FTS0019](#))

366 The only exception to this is mobility between the UK and Ireland, as the UK-Ireland Common Travel Area was preserved under the Withdrawal Agreement.

367 These are explained in the EU Services Sub-Committee Beyond Brexit report March 2021, Box 2. European Union Committee, *Beyond Brexit: trade in services* (23rd Report, Session 2019–21, HL Paper 248)

368 Written evidence from UK in a Changing Europe ([UKE0029](#))

369 Written Evidence from Professor Jonathan Portes ([UKE00014](#))

370 [Q 130](#) (Charley Robinson), [Q 154](#) (Marco Cillario, Deborah Annetts and Luke Petherbridge)

371 [Q 137](#) (William Bain)

372 For discussion of the various factors contributing to labour shortages in the UK see Economic Affairs Committee, *Where have all the workers gone?* (2nd Report, Session 2022–23, HL Paper 115).

transport, logistics and storage; and production and manufacturing, as among those sectors that had been most severely impacted.³⁷³

243. Lucy Monks, Head of International Affairs at the Federation of Small Businesses, indicated that the new arrangements had affected the ability for businesses to “recruit to fill skills gaps as they have emerged”.³⁷⁴ She emphasised that this was having a particularly significant impact on small businesses as they are less able to absorb additional costs that are now associated with recruitment from the EU, such as visa fees, compared to larger organisations.³⁷⁵
244. Prof Portes suggested that the concentration of recruitment challenges in sectors where roles were previously filled by a large number of EU nationals could be attributed to the fact that many such roles, for instance in hospitality, do not qualify for the Government’s Skilled Worker Visa.³⁷⁶ This is mostly focused on the health sector and “high-productivity” service sector roles such as those in IT and finance.³⁷⁷
245. Some witnesses argued that the Government’s Shortage Occupation List, specifying job types for which there is wider access to Skilled Worker visas, is drawn too narrowly. Mr Bain called for this to be “widened immediately so that we can release some of the pressure that care and hospitality are facing”.³⁷⁸ Ms Monks concurred, suggesting that “greater flexibilities could address the significant issues that businesses are facing today”.³⁷⁹ Emma Rowland, Policy Advisor at the Institute of Directors (IoD), indicated that her organisation also supported this proposal.³⁸⁰
246. Ms Monks emphasised to us that many of the reported challenges relating to inbound mobility could be addressed domestically, without the need for negotiations with the EU or individual Member States. She accordingly proposed that the Government should “look at the things they can do, that are in their control now, to ease some of those burdens”.³⁸¹

Outward mobility

247. We were told that patterns of outward business mobility have changed since Brexit. Drawing on IoD research, Ms Rowland said that members are “spending less time in the EU”.³⁸² This has resulted in more work being conducted online, which she described as “second-best”.³⁸³ Professionals who needed to spend longer periods of time in the EU had reported that the new arrangements were particularly challenging, given the 90 in 180 day restriction, whereas there had been less impact on shorter-term travel.³⁸⁴
248. Many witnesses emphasised the complexity of the regulations on working in the EU, with businesses and professionals often needing to take account

373 [Q 137](#) (William Bain)

374 [Q 136](#) (Lucy Monks)

375 [Q 140](#) (Lucy Monks) and written evidence from The Federation of Small Businesses ([UKE0070](#))

376 Written Evidence from Professor Jonathan Portes ([UKE00014](#))

377 *Ibid.*

378 [Q 142](#) (William Bain)

379 [Q 137](#) (Lucy Monks)

380 [Q 138](#) (Emma Rowland)

381 [Q 137](#) (Lucy Monks)

382 [Q 137](#) (Emma Rowland)

383 *Ibid.*

384 *Ibid.*

of both the relevant provisions of the TCA and rules in individual Member States. In a typical comment, the City of London Corporation indicated that “understanding and navigating through these is time consuming and their interpretation can be difficult”.³⁸⁵ Mr Bain highlighted differences in arrangements for an intra-company transfer into the EU between a manager or skilled person, and a trainee.³⁸⁶ He suggested that in most cases “fairly specific HR advice” would be needed before these rules could be utilised, which is a particular challenge for smaller businesses.³⁸⁷

249. By way of example, Ms Rowland referred to an IoD member who required a visa to work in Germany. The process for securing a visa had been “18 steps long”.³⁸⁸ There had been an application fee, and the member had also needed to provide a cover letter, CV, bank statements, a portfolio of previous work and authorisations, among other documents. This was further complicated by the documents needing to be completed in German, even though the member did not speak German. Ms Rowland suggested that such processes are serving as a disincentive to mobility, in particular for small businesses that are “looking to expand into the EU”.³⁸⁹
250. We heard that the complexity of post-Brexit arrangements for business travel to the EU had been especially challenging for the legal sector. Marco Cillario, International Policy Manager at the Law Society of England and Wales, reported that a “lack of clarity” on mobility regulations was, in many cases, preventing lawyers from “even attempting to travel” to the EU.³⁹⁰ He noted that the “rules as to what someone can do as a short-term business visitor, what the conditions are to get a visa, the processing time and the cost” vary across the 27 Member States, which had added an extra layer of complexity.³⁹¹ According to Mr Cillario, these barriers to mobility were “having a real impact on the competitiveness of the sector”.³⁹²
251. The 90 in 180-day restriction on visa-free travel for work within the Schengen area has posed particular difficulties for the travel sector. Luke Petherbridge, Head of Public Policy at ABTA—The Travel Association, told us that travel businesses were facing “huge operational challenges” with getting staff into the EU.³⁹³ He emphasised that the 90-day limit is too short for seasonal workers in the tourism industry such as ski guides and travel representatives, who typically work abroad for up to six months each year. Mr Petherbridge also highlighted the case of coach drivers, who by the nature of their work were often required to be in the EU on more than 200 days per year before Brexit.
252. Witnesses indicated that the post-Brexit changes are having an especially significant impact on opportunities for workers to spend time overseas at a relatively early stage of their careers. The Centre for Inclusive Trade Policy noted that criteria for the right to work in the UK are “not usually designed for them, but rather skilled workers entering into labour markets

385 Written evidence from City of London Corporation ([UKE0068](#))

386 [Q 137](#) (William Bain)

387 *Ibid.*

388 [Q 141](#) (Emma Rowland)

389 *Ibid.*

390 [Q 147](#) (Marco Cillario)

391 *Ibid.*

392 *Ibid.*

393 [Q 147](#) (Luke Petherbridge)

with previous experience”.³⁹⁴ Referring to the specific context in the legal sector, Mr Cillario indicated that it had been traditional for UK lawyers to spend “six months during their training or immediately after they qualify in an EU Member State”, adding that this had “been important in the training and development of many lawyers who have then been successful in their careers”.³⁹⁵ This option is no longer available for lawyers working for firms that do not have offices in the EU and who are therefore unable take advantage of the intra-corporate transferee provisions in the TCA.

253. A common theme in the evidence that we heard was that Government guidance on business and professional travel to the EU could be improved. For instance, Ms Rowland told us that “there is not a huge amount of guidance in a central place on these issues”.³⁹⁶ She added that businesses are calling for “step-by-step guidance on exactly what they need to do that is easily accessible—maybe a central, easily searchable database that includes requirements for each country”.³⁹⁷ Calls for clearer guidance were also made by the City of London Corporation, the European and International Analysts Group and by various representatives of the creative industries.³⁹⁸

Movement of creative professionals

254. We have taken a close interest in the challenges facing creative professionals seeking to work in the EU since the TCA came into force.³⁹⁹
255. In this work we identified several areas of concern, including: insufficient Government engagement with creative professionals and industry bodies; inconsistent and inaccurate Government guidance for touring creative professionals; visa and work-permit arrangements that make it too complicated or expensive for many professionals to work and tour in the EU; cabotage and cross-border trade rules that make it difficult for specialist hauliers associated with touring to continue to operate between the UK and EU; and CITES regulations that significantly complicate travelling to the EU with musical instruments and limit the available routes of travel.
256. Deborah Annetts, Chief Executive of the Independent Society of Musicians, described post-Brexit arrangements as an “unmitigated disaster” for the music industry.⁴⁰⁰ She reported that “musicians are telling us that it is simply economically not viable to tour into the EU anymore”, referencing many of the issues that we have previously been made aware of and corresponded with the Government about.⁴⁰¹
257. Although some limited easements to visa and cabotage arrangements have been introduced since we first took evidence on this topic in 2021, Ms Annetts

394 Written evidence from Centre for Inclusive Trade Policy ([UKE0066](#))

395 [Q 153](#) (Marco Cillario)

396 [Q 141](#) (Emma Rowland)

397 *Ibid.*

398 Written evidence from City of London Corporation ([UKE0068](#)), European and International Analysts Group ([UKE0012](#)), Contemporary Visual Arts Network ([UKE00019](#)) LIVE ([UKE0041](#)) and Association of British Orchestras ([UKE0054](#))

399 Oral evidence taken before the European Affairs Committee, Movement of creative professionals, 14 September 2021 [QQ 1–11](#) We have subsequently engaged in extensive correspondence with the Government European Affairs Committee, ‘Movement of creative professionals: Correspondence’: <https://committees.parliament.uk/work/1466/movement-of-creative-professionals/publications/3/correspondence/>.

400 [Q 147](#) (Deborah Annetts)

401 *Ibid.*

suggested that these have not fundamentally changed the situation facing touring musicians.⁴⁰² While there are now “slightly better arrangements for mobility with Spain and Greece”, we were told that “nothing else has changed” on visa access.⁴⁰³ With regard to cabotage, a ‘dual registration’ scheme was introduced in May 2022, enabling operators with bases in both Britain and the EU to transfer vehicles between these.⁴⁰⁴ However, Ms Annetts explained that these arrangements can “work only for big hauliers that look after people like Elton John”, since typical British orchestras do not have access to a fleet of trucks or multiple bases.⁴⁰⁵ She added that on CITES the issues were “getting worse”, following the Government’s decision not to designate the Eurostar terminal at St Pancras International as a port where musical instrument certificates can be checked.

258. We received a large number of written submissions addressing the challenges facing the music industry. Many contained detailed proposals advocated by industry groups. These included: a package of financial support; reducing costs associated with carnets; creating a website with a single portal of information on touring in the EU; exemptions from cabotage regulations for organisations such as orchestras; a visa and work permit waiver for cultural workers; and an expansion of the list of designated CITES ports to cover St Pancras International.⁴⁰⁶ Some organisations proposed a broad “cultural exemption” to the provisions of the TCA, which would enable “unfettered movement” of specialist vehicles, personnel and merchandise.⁴⁰⁷ Ms Annetts also endorsed this idea.⁴⁰⁸
259. It was emphasised to us that challenges associated with touring in the EU are having an especially severe impact on younger musicians, who have greater difficulty in meeting the requirements to secure visas and work permits. Ms Annetts explained that “[t]raditionally, the way to build your career[...] was to work in Europe”.⁴⁰⁹ However, she said that this is now much more difficult, since the “way some EU states operate their work permits discriminates against youngsters who do not have a significant musical reputation”.⁴¹⁰
260. While the music industry has been the most vocal in highlighting mobility challenges facing creative professionals, the evidence that we received suggested that similar issues are being experienced by other sectors. The Contemporary Visual Arts Network indicated that the work of visual

402 We note that the UK has additionally agreed a Joint Declaration with Norway, Iceland and Liechtenstein outlining entry routes for touring artists and musicians. Department for International Trade, ‘UK-Norway, Iceland, and Liechtenstein FTA: joint declaration on culture and entertainment’ (16 July 2021): <https://www.gov.uk/government/publications/uk-norway-iceland-and-liechtenstein-free-trade-agreement-joint-declarations/uk-norway-iceland-and-liechtenstein-fta-joint-declaration-on-culture-and-entertainment> [accessed 25 April 2023]

403 Q 150 (Deborah Annetts)

404 Department for Transport, ‘Major boost for live music and touring industry specialist hauliers to move more freely between countries’ (6 May 2022): <https://www.gov.uk/government/news/major-boost-for-live-music-and-touring-industry-specialist-hauliers-to-move-more-freely-between-countries> [accessed 25 April 2023]

405 Q 150 (Deborah Annetts)

406 Written evidence from UK Music (UKE0009), APPG on Music (UKE0010), Musicians’ Union (UKE00017), The Independent Society of Musicians (UKE00022), LIVE (UKE0041), Association of British Orchestras (UKE0054) and Fred Hale (UKE0035)

407 Written evidence from APPG on Music (UKE0010), Musicians’ Union (UKE00017) and LIVE (UKE0041)

408 Q 153 (Deborah Annetts)

409 *Ibid.*

410 Q 153 (Deborah Annetts). See also written evidence from UK Music (UKE0009).

artists “does not easily fit within the new procedures and regulations”, with individuals and organisations “struggling to understand and comply with them”.⁴¹¹ They reported that fewer UK-EU collaborations had taken place since the UK left the EU and that, within the EU, the UK is seen as “less of a natural partner than previously”.⁴¹² Meanwhile, the City of London Corporation highlighted various challenges experienced by the Barbican Centre, which it manages, including additional administrative burdens associated with bringing materials that form part of theatre sets into the UK. It called for a “blanket agreement for the entertainment industry” that would enable UK and EU artists to move freely from and to the EU and UK, which would also cover associated freight.⁴¹³

261. Ms Annetts was critical of the role of the Department for Culture, Media and Sport (DCMS) in addressing the challenges faced by the creative industries. She told us that, in her experience, meetings of the Department’s Touring Working Group “just go around in circles”.⁴¹⁴ This has led her to the view that “DCMS simply does not have the teeth to tackle some of these problems”. The All-Party Parliamentary Group on Music also criticised the Government’s approach, noting that a “consistent complaint from the sector has been the perception that there is no one Department holding the pen on tackling these issues”.⁴¹⁵ UK Music similarly indicated that the sector feels “caught between departments”.⁴¹⁶
262. Our own experience of engagement with the Government on this matter has been similarly frustrating.⁴¹⁷ Although Ministers have frequently indicated that the Government recognises some of the concerns raised by representatives of creative professionals and wants to help, there have not been sustained attempts to actively resolve these issues through discussions with the EU.
263. The Minister for Europe told us that the Government was “aware” of the challenges facing creative professionals seeking to work in Europe.⁴¹⁸ He undertook that the Government would “continue to raise this with the Commission in due course to get the outcome we want”.⁴¹⁹ The issue was subsequently discussed at the meeting of the Partnership Council held on 24 March 2023.⁴²⁰

Conclusions and recommendations

264. **The end of free movement of people between the UK and the EU has inevitably resulted in new barriers to business and professional mobility, in both directions. The precise impact has varied greatly between sectors. We urge the Government to continue to monitor the implications of the domestic migration rules introduced following Brexit and the provisions of the TCA for mobility between the UK and**

411 Written evidence from Contemporary Visual Arts Network ([UKE00019](#))

412 *Ibid.*

413 Written evidence from City of London Corporation ([UKE0068](#))

414 [Q 149](#) (Deborah Annetts)

415 Written evidence from APPG on Music ([UKE0010](#))

416 Written evidence from Association of British Orchestras ([UKE0054](#))

417 European Affairs Committee, ‘Movement of creative professionals: Correspondence’: <https://committees.parliament.uk/work/1466/movement-of-creative-professionals/publications/3/correspondence/>

418 [Q 210](#) (Leo Docherty MP)

419 *Ibid.*

420 HL Deb, 17 April 2023, [col 456](#)

the EU. The Government should be prepared to adjust visa eligibility criteria in response to labour shortages in specific sectors and we ask the Government to describe how it is managing this in its response to this report. The Government must also raise concerns about outward mobility arrangements with the EU and individual Member States. We ask the Government where, within the TCA institutional structure, this is being addressed.

265. **The evidence that we have considered suggests that the complexity of the post-Brexit rules is a significant barrier to mobility. We accordingly recommend that the Government strengthens its guidance on business and professional travel between the UK and EU Member States, making it more straightforward to navigate and interpret, including for small businesses and independent professionals. We believe that the guidance needs to be dynamically updated.**
266. **We are disappointed that very little progress has been made in addressing the challenges faced by creative professionals wishing to work and tour in the EU, despite the Government having been aware of these problems for a considerable period of time. We recommend that these issues are now taken up with the EU as a priority by FCDO ministers. In its response we ask the Government to detail which TCA Specialised Committee is considering these issues. This matter should also be raised with the Commission at the Partnership Council and we ask the Government to request that they be included on the agenda for the next meeting.**
267. **Negotiations with the EU and individual Member States to address the barriers to mobility of creative professionals that have been identified should be continued with vigour. We ask the Government to provide an update on engagement with the EU and individual Member States on this matter in its response to this report.**
268. **Many of the barriers to business and professional mobility highlighted by witnesses may be partially addressed through a reciprocal youth mobility arrangement with the EU and/or individual Member States. This possibility is discussed in the final section of this chapter.**

School visits

Post-Brexit decline

269. Research conducted by organisations representing the travel industry has found that the number of students sent to the UK by European operators that organise school trips and other educational, cultural or sport-related group travel was 83% lower in 2022 compared to 2019, the last pre-COVID-19 pandemic year before the TCA came into force.⁴²¹ This is consistent with the findings of a previous survey conducted in June 2022, and with a media

⁴²¹ Tourism Alliance, *The Economic impact of the requirement for EU students on school trips to have passports to enter the UK* (November 2022): https://www.tourismalliance.com/downloads/TA_429_462.pdf [accessed 25 April 2023]

report in 2021, in which a spokesperson for a French operator described trips to the UK as “almost unsaleable”.⁴²²

270. We were told that the requirement for all pupils to have individual passports to enter the UK, whereas they could previously have entered under a group document through the EU List of Travellers Scheme or travelled with ID cards, was a major factor behind this decline. Joss Croft, Chief Executive Officer at UKinbound, suggested that “[a] large proportion of EU students simply does not have one”.⁴²³ He said that obtaining a passport is both a “hassle” and had a financial cost, which is serving as a deterrent to organise trips to the UK rather than other EU destinations.⁴²⁴ It was explained to us that there is an ethos of “inclusivity” in the organisation of school trips in some parts of the EU, which means that schools are reluctant to travel without pupils who cannot easily obtain relevant travel documents, such as third-country nationals.⁴²⁵
271. Stephen Lowy, Chair of the British Educational Travel Association, added that there had also been an “initial impact in terms of sentiment” towards the UK as a destination after Brexit, with research conducted by VisitBritain finding that “younger people from mainly northern Europe were less engaged to choose a school trip to the UK because they felt less welcome”.⁴²⁶
272. Unsurprisingly, COVID-19 restrictions also had a significant impact on school visits to the UK from the EU. Nevertheless, witnesses emphasised that the decline in such visits has been markedly more severe for the UK compared to other European destinations. For instance, the reduction in the number of school visits to Ireland organised by the operators that were surveyed in 2022 was 29% compared to 2019, considerably lower than the 83% figure for the UK.⁴²⁷ Mr Lowy attributed this to some schools that had previously organised trips to the UK now choosing EU destinations, adding that “Malta and Ireland in particular seem to have done very well out of the restrictions that we have put in place here”.⁴²⁸
273. Witnesses argued that the decline in school visits to the UK was regrettable on both economic and cultural grounds. UKinbound highlighted research that suggested that the decline in school group visits was forecast to result in an £875 million loss of revenue and the loss of 14,500 jobs.⁴²⁹ Meanwhile, Mr Lowy described the situation as a “huge loss of soft power”, saying that “it upsets me that a lot of young European kids will miss out on experiencing that joy of travel at that age here, in the formative part of life when you get those experiences and fall in love with a country”.⁴³⁰

422 Tourism Alliance, *Student Group Travel Survey Results* (June 2022): <https://beam-org.uk/wp-content/uploads/2022/06/Student-Travel-Group-Research-June-2022.pdf> [accessed 25 April 2023] and “‘Almost unsaleable’: slump in school trips to UK blamed on Brexit”, *The Guardian* (26 Dec 2021): <https://www.theguardian.com/education/2021/dec/26/school-trips-to-uk-slump-brexit> [accessed 25 April 2023]

423 Q 117 (Joss Croft)

424 *Ibid.*

425 Written evidence from Co-ordinators of a group of Blue Badge Tourist Guides (UKE0061)

426 Q 117 (Stephen Lowy)

427 Q 118 (Joss Croft). See also Tourism Alliance, *Student Group Travel Survey Results* (June 2022): <https://beam-org.uk/wp-content/uploads/2022/06/Student-Travel-Group-Research-June-2022.pdf> [accessed 25 April 2023].

428 Q 118 (Stephen Lowy)

429 Written evidence from UKinbound (UKE0051)

430 Q 118 (Stephen Lowy)

274. Mr Lowy indicated that it was “probably slightly easier for Brits to go into Europe” for school visits than vice versa.⁴³¹ However, he reported that there had been some “issues at the border” during 2022, which had resulted in some students on school trips from the UK to the EU being delayed or “unable to go through” passport control.⁴³² There were similar long delays affecting school trips in April 2023.⁴³³
275. We heard that the UK’s withdrawal from the EU’s Erasmus+ funding programme had also had some impact on school travel. Rhammel Afflick, Head of Advocacy and Communications at the British Youth Council, told us that “almost none” of the projects previously funded by Erasmus+ involving school-age children are now being funded through the Government’s Turing scheme (discussed in more detail later in the chapter).⁴³⁴ He said that this has resulted in a “huge shortfall in funding” to support cooperation across Europe through projects focused on “developing young people’s skills”, “gaining vital international experience” and “boosting their employability”.⁴³⁵
276. The Minister for Europe acknowledged that school visits from the EU to the UK was a “very difficult” issue and said that it had been raised with him by European counterparts.⁴³⁶ He indicated that the Government was “working on it, but there is no progress as yet”.⁴³⁷

Proposed solutions

277. Witnesses representing the travel sector proposed that a new youth group travel scheme for under 18s travelling from the EU should be introduced, which would be similar to the EU List of Travellers Scheme that the UK participated in previously. UKinbound made a specific proposal for such a scheme:
- “It would allow students under the age of 18 that have an ID card, and therefore the right to live in the EU, and third country nationals that have settled in the EU, to travel to the UK to take part in an English language school, undertake a school trip or take part in a cultural or sporting activity, if accompanied by a teacher or supervisor over 18 years old that is travelling on a passport.”⁴³⁸
278. Mr Lowy supported this and added that the arrangement should be reciprocated “to allow easy travel for our young British students on school trips to Europe”.⁴³⁹
279. The Government has previously argued that the move away from the List of Travellers Scheme was necessary to “strengthen the security of our border”.⁴⁴⁰ However, our travel sector witnesses questioned whether this statement was

431 [Q 120](#) (Stephen Lowy)

432 *Ibid.*

433 Dover delays: Long waits persist for coach passengers, *BBC News* (3 April 2023): <https://www.bbc.co.uk/news/uk-65151700> [accessed 25 April 2023]

434 [Q 118](#) (Rhammel Afflick)

435 *Ibid.*

436 [Q 213](#) (Leo Docherty MP)

437 [Q 214](#) (Leo Docherty MP)

438 Written evidence from UKinbound ([UKE0051](#))

439 [Q 119](#) (Stephen Lowy)

440 ‘Almost unsaleable: slump in school trips to UK blamed on Brexit’, *The Guardian* (26 December 2021): <https://www.theguardian.com/education/2021/dec/26/school-trips-to-uk-slump-brexit> [accessed 25 April 2023]

supported by evidence. Mr Croft said that he had “not been able to find out the figures on abscondments but it is not hugely credible to imagine that these children, whose parents are waiting for them to return home, will abscond”.⁴⁴¹ Meanwhile, Mr Lowy noted that the visa regime for university students is “one of the safest we have”, with 98% of students leaving on time.⁴⁴² UKinbound nevertheless indicated that the travel industry would be open to consultation on the details of a new group travel scheme for under 18s, for instance on the possibility of “additional vetting processes that would uphold the UK’s security processes”.⁴⁴³

280. Mr Henricson-Bell told us that “almost half” of the false documents detected at the border in 2020 were ID cards, which he said is “partly what stands behind” the decision to require individual passports.⁴⁴⁴ However, he was not able to provide statistics about the security of the previous List of Travellers scheme for under 18s. In subsequent correspondence the Minister for Europe indicated that there is “no specific evidence that the List of Travellers Scheme was being used as a route for illegal entry”.⁴⁴⁵
281. We note that the Joint Leaders’ Declaration that was issued following the Anglo-French summit held on 10 March 2023 refers to the UK having “committed to ease the travel of school groups to the UK by making changes to documentary requirements for schoolchildren on organised trips from France”.⁴⁴⁶ It also refers to France having committed “to ensuring appropriate mechanisms are in place for visa free travel for children travelling on organised school trips from the United Kingdom and to facilitating the passage of those groups through the border”.⁴⁴⁷ No more specific details are yet available.
282. We would also highlight that the Welsh Government’s Taith scheme, introduced in 2022, provides some financial support for inbound school group mobility. Susana Galván, Taith’s Executive Director, explained that “[w]ith Taith, a Welsh organisation can apply for funding to send people out of Wales to X country, and it can also get funding to bring people into Wales from that point”.⁴⁴⁸ This is different from the UK Government’s Turing scheme which only provides funding for outbound mobility, including some funding for schools. More details about the Taith scheme are included later in this chapter, in Box 6.

Conclusions and recommendations

283. **We consider school visits between the UK and the EU to have substantial value as a means of exposing children to different cultures. We agree with our witnesses that the large decline in inbound school visitors to the UK from the EU will have a considerable long-term cultural impact, as well as having a significant economic impact.**

441 [Q 119](#) (Joss Croft)

442 [Q 119](#) (Stephen Lowy)

443 Written evidence from UKinbound ([UKE0051](#))

444 [Q 213](#) (Olaf Henricson-Bell)

445 Letter from Leo Docherty MP to the Chair (30 March 2023): <https://committees.parliament.uk/publications/38415/documents/191491/default/>

446 Prime Minister’s Office, 10 Downing Street, *UK-France Joint Leaders’ Declaration* (March 2023): <https://www.gov.uk/government/publications/uk-france-joint-leaders-declaration/uk-france-joint-leaders-declaration> [accessed 25 April 2023]

447 *Ibid.*

448 [Q 156](#) (Susana Galván)

284. **We welcome the references to reciprocal steps to facilitate school visits in the Joint Leaders' Declaration issued following the Anglo-French summit on 10 March 2023. We ask the Government to provide more detail about the proposed "changes to documentary requirements" for inbound school visitors from France in its response to this report, and to provide us with an update on progress towards implementation of this commitment.**
285. **We recommend that the Government should reintroduce a youth group travel scheme that would not require pupils travelling on school visits from any EU country to carry individual passports. This scheme should be designed with appropriate safeguards to ensure that any risks to border security are minimised.**
286. **We additionally recommend that the Government, through its embassies in EU Member States, should initiate a campaign to actively promote educational group travel to the UK, with the aim of reversing the decline in visitor numbers.**
287. **We also urge the Government to explore the possibility of including reciprocal funding for school group mobility within the Turing scheme, which would provide additional support for visits to the UK. Such arrangements could draw on the experience of the Taith programme that has been introduced by the Welsh Government.**

Higher education

288. The UK has great strengths in higher education and research. This is reflected in the UK typically ranking second, behind only the United States of America, as a preferred destination for overseas students.⁴⁴⁹ In 2020/21 there were over 150,000 students from the EU enrolled on courses in the UK.⁴⁵⁰

Post-Brexit trends in student mobility

289. Since the end of the post-Brexit transition period there has been a big change in the profile of international students studying at UK universities. According to official statistics, the number of newly enrolled students that are domiciled in the EU dropped by 53% from 2020/21 to 2021/22.⁴⁵¹ However, there was a 32% rise in non-EU student enrolments, which have reached a record level.
290. These trends are consistent with the expected impact of post-Brexit policy changes. EU students are no longer able to benefit from home student fee rates at UK universities, as was the case until 2021, and they must also now secure student visas in the same way as other international students.⁴⁵² Meanwhile, the introduction of a new post-study work visa by the Government (the Graduate Immigration Route) has provided an additional incentive for non-EU international students to study in the UK compared to previous arrangements.

449 **Q 128** (Charley Robinson)

450 HESA, 'Where do HE students come from?' (31 January 2023): <https://www.hesa.ac.uk/data-and-analysis/students/where-from> [accessed 13 April 2023]

451 HESA, 'Higher Education Student Statistics: UK, 2021/22 - Where students come from and go to study' (19 January 2023): <https://www.hesa.ac.uk/news/19-01-2023/sb265-higher-education-student-statistics/location> [accessed 13 April 2023]

452 EU students studying in Scotland did not pay tuition fees, in line with the policy for Scottish students.

291. Ellie Gomersall, representing the National Union of Students, emphasised that there has been a “drastic change in the cost of studying in the UK for EU students”.⁴⁵³ As well as now needing to pay international student fee rates, prospective students from the EU are also exposed to other additional costs such as those associated with securing a visa. Charley Robinson, Head of Global Mobility Policy at Universities UK International, put it that the UK is “suddenly seen as more expensive, more complicated and less welcoming as a study destination”.⁴⁵⁴
292. Anne-Marie Graham, Chief Executive at the UK Council for International Student Affairs, characterised the visa system that EU students are now subject to as “overly complex and lengthy”, noting that this was leading “poor experiences, and poor experiences tend to translate into people passing that messaging on through word of mouth”.⁴⁵⁵ She accordingly argued that “it is critical that accessibility is improved and complexity reduced for EU students coming to the UK”.⁴⁵⁶
293. Witnesses that we heard from on this topic stressed the cultural, as well as economic, benefits that students from the EU brought to UK universities. Ms Gomersall argued that the presence of EU students was “a good thing for us as home students in terms of the enrichment and the fantastic cultural impact that international students bring to our own studies”.⁴⁵⁷ Meanwhile, Ms Robinson noted that European students “contribute to the diversity of students in the classroom” across a “broad range of subjects”, whereas non-EU international students tend to be more concentrated in particular subject areas such as engineering and business.⁴⁵⁸
294. The post-Brexit changes to arrangements for studying abroad have also affected students from the UK wanting to study in the EU.⁴⁵⁹ Ms Gomersall explained that a “UK student wishing to study in Germany would face the same challenges” as EU students in the UK, including the need to pay for a visa.⁴⁶⁰ She said this “adds to the huge barrier to students from disadvantaged backgrounds” studying outside the UK.⁴⁶¹

Student exchanges

295. During the TCA negotiations the Government opted not to pursue continued participation in the EU’s Erasmus+ programme, which provides funding for student exchanges, citing the cost involved and that the Treasury had become a “net contributor”.⁴⁶²

453 [Q 127](#) (Ellie Gomersall)

454 [Q 126](#) (Charley Robinson)

455 [Q 126](#), [Q 130](#), (Anne-Marie Graham)

456 [Q 126](#) (Anne-Marie Graham)

457 [Q 130](#) (Ellie Gomersall)

458 [Q 132](#) (Charley Robinson)

459 [Q 126](#) (Charley Robinson)

460 [Q 127](#) (Ellie Gomersall)

461 *Ibid.*

462 “UK pulls out of EU’s ‘extremely expensive’ Erasmus scheme”, *Politico* (24 December 2021): <https://www.politico.eu/article/uk-students-lose-participation-in-eu-erasmus-university-exchange-scheme/> [accessed 25 April 2023]. The former European Union Committee’s EU Services Sub-Committee stated that it was “deeply concerned” about this decision, which it anticipated would “limit the opportunities for UK students in the immediate short term and could harm the prospects for UK universities in the future”. *Beyond Brexit: Trade in Services*, para 274

296. In 2021 the Government established a new study abroad scheme, called the Turing scheme.⁴⁶³ Turing is global in scope rather than being focused on Europe, and compared to Erasmus+ more of the placements it funds are for shorter periods (e.g. summer schools) rather than the full academic year. It only covers outward placements and not inbound visits, so it is not a reciprocal scheme in the same way as Erasmus+.
297. We heard that Turing has some significant strengths. Ms Robinson said that, in principle, it “creates very good opportunities for UK students to go abroad and creates a vehicle to allow UK institutions to continue partnerships with European institutions”.⁴⁶⁴ She welcomed the fact that the scheme is global, and she said that its “flexibility” had “been incredibly helpful to widen participation”.⁴⁶⁵ Lindsay Hirst, a researcher at the University of Cambridge, indicated to us that Turing has been “mostly successful at achieving its objectives” of increasing non-EU study abroad and widening accessibility.⁴⁶⁶
298. Ms Robinson told us that 38,000 mobilities were planned for the second year of Turing, around double the number of UK students who participated in Erasmus+ annually. She referred to this as a “step change in the number of students that the UK sends abroad”.⁴⁶⁷
299. Nevertheless, our witnesses typically regretted the absence of any provisions for inward mobility to be supported through Turing. Ms Graham indicated that the experience of reciprocity under Erasmus+ is that it is “a great showcase for our UK education system”, adding that “students who come here on an exchange or short-term programme, particularly at undergraduate level, might come back, spend their money on a postgraduate course and come through that visa immigration system”.⁴⁶⁸ Ms Robinson agreed that the lack of reciprocity was “one issue with the Turing scheme as it currently stands”.⁴⁶⁹ Meanwhile, Ms Gomersall reflected on her own experience as a student and how she had benefited from the friends that she had been able to make among students undertaking Erasmus+ placements.⁴⁷⁰
300. Witnesses also raised several other concerns about the operation of Turing, in comparison to Erasmus+. These included the absence of provisions to support staff mobility, limited funding for non-university exchanges and the need to submit fresh funding bids on an annual basis, often for similar projects, which Ms Robinson described as “incredibly burdensome”.⁴⁷¹
301. The Welsh Government has introduced a separate global educational exchange scheme called Taith, launched in 2022. Its Executive Director explained to us that “[t]he ethos of Taith is to fill the gap left by the decision to leave Erasmus+”.⁴⁷² Ms Galván emphasised that it is an “all-inclusive programme, accessible and available to all the learning sectors across Wales”, and that a “key aspect is reciprocity”, so that there is a “two-directional

463 Department for Education, “Turing scheme to open up global study and work opportunities”: <https://www.gov.uk/government/news/turing-scheme-to-open-up-global-study-and-work-opportunities> [accessed 13 April 2023]

464 Q 133 (Charley Robinson)

465 *Ibid.*

466 Written evidence from Lindsay Hirst (UKE00015)

467 Q 133 (Charley Robinson)

468 Q 134 (AnneMarie Graham)

469 Q 134 (Charley Robinson)

470 Q 134 (Ellie Gomersall)

471 Q 133 (Anne-Marie Graham, Ellie Gomersall and Charley Robinson)

472 Q 155 (Susana Galván)

aspect to the programme”. She noted that the scheme runs in parallel with Turing in Wales, with care taken to avoid “double funding” of projects.⁴⁷³ Some further details about the scheme are provided in Box 7.

Box 7: The Taith programme

The Welsh Government announced plans to introduce a new student exchange programme in March 2021, after the UK-EU TCA contained no provisions for UK institutions to continue participating in the Erasmus+ programme. It said that the new programme “would enable learners and staff, both from Wales and those who come to study or work in Wales, to continue to benefit from international exchanges in a similar way to the opportunities that flowed from Erasmus+, not just in Europe but also further afield”.⁴⁷⁴ It was stressed that “reciprocity” would be a fundamental feature of the programme and that it would therefore include provision for inward mobility. In the first instance it was expected that 15,000 outward mobility exchanges from Wales would be funded, and 10,000 inward mobility exchanges into Wales, over the five-year period from 2022 to 2026. The announcement indicated that the programme would be supported by an investment of £65 million by the Welsh Government.

The programme was named Taith (“a journey” in Welsh). A strategy was published in January 2022.⁴⁷⁵ This begins by stating that “[s]tudying, volunteering or taking a work placement abroad broadens people’s horizons, expands their skills, and brings benefits to communities and organisations here in Wales”. It is argued that participants from Wales “will serve as Wales’ ambassadors to the world, carrying our message that Wales is outward-looking, collaborative, and open to educational innovation”, while inward visitors will “enrich our education and youth sectors with new approaches and ideas and will bring even greater diversity and culture to classrooms and campuses in our bilingual country”.

Taith was formally launched in March 2022, with the first exchanges commencing in September 2022. Calls for funding bids are split into three “pathways”.⁴⁷⁶ Pathway 1 supports direct mobility of participants, pathway 2 supports partnership and strategic collaboration between institutions, and pathway 3 supports capacity building. The programme is open to a wide range of educational institutions, including schools, youth organisations and further education providers, as well as universities.

302. Ms Galván told us that funding from the initial round of Taith funded projects is expected to “produce more than 6,000 mobilities”, including both inward and outward.⁴⁷⁷ She indicated that the majority of these involve European institutions, often building on partnerships that were previously supported through Erasmus+.

473 Q 156 (Susana Galván)

474 Welsh Government, ‘New International Learning Exchange programme to make good the loss of Erasmus+’ (21 March 2021): <https://www.gov.wales/new-international-learning-exchange-programme-make-good-loss-erasmus> [accessed 25 April 2023]

475 Taith, *Taith Programme Strategy: Introducing the International Student Exchange Programme for Wales* (January 2022): <https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.taith.wales%2Fwp-content%2Fuploads%2F2022%2F08%2FTaith-Programme-Strategy.docx&wdOrigin=BROWSELINK> [accessed 25 April 2023]

476 Taith, ‘Funding opportunities’: <https://www.taith.wales/apply-for-funding/> [accessed 13 April 2023]

477 Q 157 (Susana Galván)

303. Dr Royles said that it was her understanding that there had been an “enthusiastic welcome” for Taith in the EU.⁴⁷⁸ She explained that the “aims of Taith are aligned with those of Erasmus, which should make it possible for European partners to participate more easily” than through Turing.⁴⁷⁹
304. The Scottish Government has also announced plans for a reciprocal scheme, the Scottish Education Exchange Programme, but details are yet to be announced.⁴⁸⁰ During our visit to Edinburgh Professor Sir Anton Muscatelli, the Principal of Glasgow University, told us that universities in Scotland have been positive about Taith and are encouraging the Scottish Government to deliver a similar scheme.⁴⁸¹
305. Some witnesses suggested that a reciprocal scheme similar to Taith could be introduced across the UK. Ms Graham said that it is “definitely a model that we can look at”, and that the UK Government could “probably learn a lot as it develops and builds”.⁴⁸² Meanwhile, Ms Gomersall argued that a UK-wide programme along the lines of Taith would “bring significant opportunities” for students.⁴⁸³
306. Other witnesses proposed that the UK might seek to re-engage with Erasmus+, even at this stage. The European and International Analysts Group recommended that the Government should seek to “link” Turing and Erasmus+.⁴⁸⁴ It was also suggested to us that the arrangement in place in Switzerland, under which participation in Erasmus+ is funded through its own budget, is a precedent that could be followed in the UK.⁴⁸⁵
307. Lord Hague was among those who argued that the Government should seek to establish some form of reciprocal student exchange programme. He said that the Government has set up a “very good Turing scheme”, but a “two-way flow is extremely important” and “[w]e will need reciprocal arrangements for European students to come to the UK”.⁴⁸⁶
308. We asked the Minister for Europe whether there were plans to introduce a scheme similar to Taith in England. In response, he told us that the Government was “open-minded and we look with great interest at the extent to which we might operate a similar scheme”.⁴⁸⁷ He acknowledged that participation in Erasmus+ had been “very beneficial” to the UK.⁴⁸⁸

UK association to Horizon Europe

309. Horizon Europe is the EU’s key funding programme for research and innovation, with a budget of €95.5bn until 2027. Alongside the TCA, the UK and EU reached agreement in principle on a Joint Declaration that set

478 [Q 166](#) (Dr Elin Royles)

479 *Ibid.*

480 ‘Scottish Government under fire for delay to replacement for Erasmus exchange scheme’, *The Scotsman* (31 May 2022): <https://www.scotsman.com/news/world/scottish-government-under-fire-for-delay-to-replacement-for-erasmus-exchange-scheme-3714904> [accessed 25 April 2023]

481 European Affairs Committee, ‘Edinburgh Visit Notes, January 2023’: <https://committees.parliament.uk/publications/38410/documents/191518/default/>

482 [Q 134](#) (Anne-Marie Graham)

483 [Q 134](#) (Ellie Gomersall)

484 Written evidence from European and International Analysts Group ([UKE0012](#))

485 Written evidence from Colleagues from Université Catholique de l’Ouest, Angers campus ([UKE0023](#)) and Coventry University Group ([UKE0025](#))

486 [Q 184](#) (Lord Hague)

487 [Q 214](#) (Leo Docherty MP)

488 *Ibid.*

out the Parties' intention for the UK to associate with Horizon Europe, alongside several other EU programmes.⁴⁸⁹

310. Despite this agreement in principle, the UK's association to Horizon Europe has not been finalised.⁴⁹⁰ The delay was a consequence of the dispute between the Parties over the implementation of the Protocol on Ireland/Northern Ireland. Concerns have been repeatedly raised by scientists, researchers, and universities in both the UK and the EU over the detrimental consequences of this delay, which has created uncertainty and led to fears that researchers from the EU may choose to leave the UK if they are not able to access Horizon funding.⁴⁹¹
311. When asked about Horizon association, witnesses urged the UK and the EU to reach an agreement. Prof Stubb described it as a "no-brainer", adding that "we need to have a free flow not only of finance, but of people and ideas between the United Kingdom and the European Union".⁴⁹² Meanwhile, Prof Ignatieff argued that the "sooner this is resolved, the better".⁴⁹³ He stressed that "some of the finest universities in Europe" are in the UK and told us that there is a "keenness among European universities to find and develop these partnerships with the British simply because of the quality of the institutions".⁴⁹⁴
312. In a press conference following the conclusion of the agreement on the Windsor Framework the President of the Commission indicated that the EU would be "happy to start immediately the work" on an agreement for UK association to Horizon Europe once the Framework had been implemented.⁴⁹⁵
313. The matter was discussed at the meeting of the Partnership Council, held on 24 March 2023. The Joint Statement issued following this meeting "noted the openness of both sides to take forward discussions on association in the coming weeks".⁴⁹⁶ The Secretary of State for Science, Innovation and Technology subsequently met with the European Commissioner for Research

489 Declarations referred to in the Council Decision on the signing on behalf of the Union, and on a provisional application of the Trade and Cooperation Agreement and of the Agreement concerning security procedures for exchanging and protecting classified information, 30 December 2021, [OJ L 444/1475](#). The other EU programmes referred to are Copernicus (Earth observation), the research and training programme of Euratom (nuclear energy) and the international component of the International Thermonuclear Experimental Reactor (fusion energy).

490 We held a non-inquiry evidence session on this subject on 1 February 2022. We subsequently sent several letters to Government ministers, as well as to the Commission and the relevant Committee in the European Parliament, calling on the Parties to depoliticise the issue and reach an agreement in the mutual interests of both the UK and the EU. In the course of this chain of correspondence ministers have agreed with us, on multiple occasions, that UK association to Horizon Europe would be a "win-win" for the UK and the EU. See also Letter from Rt Hon Michelle Donelan MP to Lord Kinnoull (6 April 2023): <https://committees.parliament.uk/publications/38950/documents/191514/default/>

491 For example "Scientists campaign for UK and Switzerland to join EU programme", *Financial Times* (8 February 2022): Available at <https://www.ft.com/content/8a32c1a1-e8ab-492d-9d19-11c40692261a> [accessed 25 April 2023]

492 [Q 22](#) (Prof Alexander Stubb)

493 [Q 79](#) (Michael Ignatieff)

494 *Ibid.*

495 President of the European Commission Ursula von der Leyen, 'Statement at the joint press conference with UK Prime Minister Rishi Sunak' (27 February 2023): https://ec.europa.eu/commission/presscorner/detail/en/statement_23_1270 [accessed 25 April 2023]

496 Foreign, Commonwealth & Development Office, 'Joint statement on the Withdrawal Agreement Joint Committee and Trade and Cooperation Agreement Partnership Council meetings, 24 March 2023': <https://www.gov.uk/government/news/joint-statement-on-the-withdrawal-agreement-joint-committee-and-trade-and-cooperation-agreement-partnership-council-meetings-24-march-2023> [accessed 25 April 2023]

and Innovation to “discuss the UK’s expectations around association to Horizon Europe” on 4 April 2023.⁴⁹⁷

Conclusions and recommendations

314. **The substantial reduction in the number of EU students enrolling at UK universities is an inevitable consequence of these students no longer being eligible to pay home fees and of the introduction of other additional barriers to studying in the UK, such as the need to secure a visa.**
315. **We agree with our witnesses that EU students bring considerable benefits to UK universities, widening the diversity of the student population and facilitating cultural exchange. We therefore recommend that the Government should work to ensure that barriers to enrolment such as challenges in obtaining visas are minimised.**
316. **We welcome the fact that the Turing scheme has supported a substantial number of outward mobility experiences since its launch. The scheme has significant strengths, including its flexibility in terms of the types of mobility that are supported and its focus on widening participation.**
317. **Nevertheless, we regret that the Government did not explore the possibility of a reciprocal student exchange programme that would enable the benefits that visiting students from the EU bring to English universities—including the long-term cultural impact—to be maintained. The Taith scheme introduced by the Welsh Government is a good model for how a reciprocal student exchange scheme can operate post-Brexit.**
318. **Accordingly, we recommend that the Government should now explore with the higher education sector the possibility of adding a reciprocal element to the Turing scheme, drawing on the experience of Taith. Within these discussions, the Government should also consider whether there is scope for domestic student exchange schemes such as Turing and Taith to run alongside any resumed participation in aspects of Erasmus+, which would need to be negotiated with the EU.**
319. **We reiterate our view that UK association to Horizon Europe and other EU research programmes would be a win-win for the UK and the EU. Now that agreement has been reached on the Windsor Framework, the necessary steps to complete UK association should be concluded as soon as possible.**

The case for a UK-EU youth mobility partnership

320. **A common theme that has run through this chapter is that post-Brexit barriers to mobility between the UK and the EU, in both directions, have had an especially significant impact on young people. This includes workers and professionals in the early stages of their careers, as well as students across different educational levels.**

⁴⁹⁷ Department for Science, Innovation and Technology, ‘Science and Technology Secretary travels to Brussels to meet EU Research & Innovation Commissioner’ (4 April 2023): <https://www.gov.uk/government/news/science-and-technology-secretary-travels-to-brussels-to-meet-eu-research-innovation-commissioner> [accessed 25 April 2023]

Proposals from witnesses

321. Witnesses representing a large number of different sectors proposed to us that that the UK and the EU should negotiate a youth mobility arrangement. This was typically envisaged as a reciprocal scheme under which people up to a certain age limit would be able to apply for fixed-term visas to travel and work in the other partner, without meeting eligibility requirements for other types of visa such as salary thresholds. As discussed below, this would be similar to existing reciprocal youth mobility schemes that the UK and EU Member States operate with other partner countries.
322. Some witnesses emphasised the potential economic advantages. For instance, Ms Monks suggested that there would be “huge benefits” to an arrangement that would “[b]ring in workers for a couple of years who might be attracted to live in the UK”, some of whom may be “highly skilled” and some of whom could “fill other roles in the economy”.⁴⁹⁸ She added that there would also be “clear benefits to EU member states from having access to workers from the UK”.⁴⁹⁹ Mr Bain agreed that a youth mobility agreement would “add quite a bit” in economic terms, noting the generosity of the agreement between the UK and Australia (see Table 3, below).⁵⁰⁰
323. Mr Petherbridge said that a youth mobility arrangement would benefit both the inbound and outbound travel sectors.⁵⁰¹ He noted that schemes had been agreed in other recent trade agreements and suggested that it “seems illogical that we will not look at it with our nearest economic partners”, the EU.⁵⁰² Meanwhile, Mr Cillario argued that youth mobility schemes would be “important for the legal sector”, especially those firms without offices in the EU, and called on the Government to enter negotiations on this “now”.⁵⁰³ Ms Annetts was in favour as well, telling us that a youth mobility scheme would be “important in creating opportunities for emerging artists and youngsters generally, so that we do not lose the concept of collaboration from the UK into the EU and vice versa”.⁵⁰⁴
324. We heard that students could also potentially benefit from a youth mobility arrangement with the EU. Ms Robinson told us that such a scheme “could be very useful to plug a gap that we currently have in the lack of an internship and work placement route for European students”.⁵⁰⁵
325. Witnesses additionally argued that a youth mobility arrangement could help to promote cultural ties with the EU. For example, Mr Croft suggested that “for the types of people undertaking the youth mobility scheme this is about building lifetime value and those lifetime allegiances to the United Kingdom”.⁵⁰⁶ He noted that the cultural benefits would be reciprocated as people from the UK would also be able to travel to the EU under the scheme. In a similar vein, Mr Lowy spoke about the other benefits from youth mobility

498 [Q 142](#) (Lucy Monks)

499 *Ibid.*

500 [Q 145](#) (William Bain)

501 [Q 153](#) (Luke Petherbridge)

502 *Ibid.*

503 [Q 153](#) (Marco Cillario)

504 [Q 152](#) (Deborah Annetts)

505 [Q 135](#) (Charley Robinson). See also [Q 135](#) (Anne-Marie Graham).

506 [Q 122](#) (Joss Croft)

schemes, for example lasting personal and business connections that might be established while participating.⁵⁰⁷

326. Lord Hague told us that he was in favour of a youth mobility arrangement with the EU, noting that there was currently a scheme for people from Iceland but not France. He said that the UK should “want young people from the EU to spend time in the UK, and vice versa”.⁵⁰⁸
327. The Minister for Europe described youth mobility schemes as “very important” and said that the Government would “always be looking for additional opportunities to achieve whatever is possible in this area”.⁵⁰⁹ He indicated that ministers would be open to discussing the matter with the Commission.

Existing precedents

328. As has already been noted there are existing precedents for youth mobility arrangements, involving both the UK and major EU countries. A summary of the key provisions of selected examples is provided in Table 3.

507 [Q 122](#) (Stephen Lowy).

508 [Q 184](#) (Lord Hague)

509 [Q 209](#) (Leo Docherty MP)

Table 3: International examples of youth mobility arrangements

Host country	Name of scheme	Length of stay	Participating jurisdictions	Age range	Restrictions
Australia	Working Holiday visa	Up to 12 months (with possibility of extension for up to 3 years)	Belgium, Canada, Cyprus, Denmark, Estonia, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, South Korea, Malta, Netherlands, Norway, Sweden, Taiwan, UK	18–30 (18–35 for selected countries. It has been agreed that this will include the UK within two years of the UK-Australia Free Trade Agreement coming into force)	Cannot include family members or be accompanied by children. Must have proof of around A\$5000.
France	Young traveller (working holiday)	Up to 12 months (extension possible for participants from Canada only)	Argentina, Australia, Brazil, Canada, Chile, Colombia, Ecuador, South Korea, Japan, New Zealand, Hong Kong, Mexico, Peru, Russia, Taiwan, Uruguay	18–30 (18–35 for selected countries)	Cannot be accompanied by children. Must have sufficient financial resources for start of stay.
Germany	Working Holiday programme/ Youth Mobility Programme	Up to 12 months	Argentina, Australia, Brazil, Chile, Israel, Japan, New Zealand, South Korea, Hong Kong, Taiwan, Uruguay	18–30 (18–35 for Canada only)	Cannot be accompanied by children. Some restrictions on permitted work, depending on country of origin. Proof of funds required.

Host country	Name of scheme	Length of stay	Participating jurisdictions	Age range	Restrictions
Spain	Working Holiday Visa	Up to 12 months	Australia, Canada, Japan, South Korea, New Zealand	18–30 (18–35 for Canada only)	Cannot work for more than six months. Proof of funds required.
UK	Youth Mobility Scheme	Up to 2 years (It has been agreed that this will be extended to three years for Australia within two years of the UK-Australia Free Trade Agreement coming into force)	Australia, Canada, Monaco, New Zealand, San Marino, Iceland Hong Kong, Japan, South Korea, Taiwan (via annual ballot) India (India Young Professionals Scheme)	18–30 (It has been agreed that this will be extended to 18–35 for Australia within two years of the UK-Australia Free Trade Agreement coming into force)	Cannot bring in family members, or apply if you have children under the age of 18 that live with you. Cannot access public funds. Must have proof of £2530. Participants in the India Young Professionals Scheme need to hold a degree or have three years' skilled work experience.

Source: Australian Government, 'First Working Holiday Visa': <https://immigration.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/working-holiday-417#About> [accessed 25 April 2023], French Government, 'Young traveller (working holiday)': <https://france-visas.gouv.fr/en/taeb/france-visas/young-traveller> [accessed 25 April 2023], German Missions in the United Kingdom, 'D-Visa: Working Holiday': <https://uk.diplo.de/uk-en/-/2449446#:~:text=The%20Working%20Holiday%20Visa%20Programme,Youth%20Mobility%20agreement%20with%20Canada> [accessed 25 April 2023], Visaguide.world, 'Spain Working Holiday Visa': <https://visaguide.world/europe/spain-visa/working-holiday/> [accessed 25 April 2023], GOV.UK, 'Youth Mobility Scheme visa': <https://www.gov.uk/youth-mobility/eligibility> [accessed 25 April 2023]

329. A notable recent example involving the UK is the extended scheme that has been agreed with Australia, under the free trade agreement that was concluded in 2021, though this is not yet in force. This provides for three-year visas (rather than the normal one or two years) and is open to people up to the age of 35 (rather than 30, as is more typical under other schemes). Some witnesses proposed that these terms should be replicated under any UK-EU agreement. For instance, Ms Monks argued that an age limit of 35 would reflect “the length of education and the general lifestyles and economic shifts that we have seen in the UK and across the world”.⁵¹⁰ She cited the examples of architects, who must complete a seven-year qualification process before taking professional roles, and suggested that an upper limit of 35 would ensure that the scheme could “capture those groups of people as well”.⁵¹¹
330. The reciprocal nature of typical youth mobility arrangements, as well as the fixed-term length of visas, was emphasised to us. Witnesses argued that these features meant that the merits of agreeing such a scheme with the EU should be considered separately from wider debates about appropriate levels of immigration, since similar numbers of people would be expected to benefit from the scheme in both directions and those coming to the UK would have no permanent right to remain.⁵¹² The UK’s existing Youth Mobility Scheme visa also has annual caps on numbers for each participating jurisdiction.⁵¹³
331. While witnesses were strongly supportive of a youth mobility arrangement, we were warned that the detail of this could be complex to negotiate. Ms Robinson stressed that developing reciprocal agreements would “take a long time” and that it would therefore not be a “quick fix” for current mobility challenges.⁵¹⁴ In practice, reconciling the different features of the respective schemes so that they can operate reciprocally may be the most challenging aspect.
332. There is some debate within the EU about the extent to which the Commission and/or individual Member States exercise competence on matters relating to youth mobility.⁵¹⁵ Although existing youth mobility arrangements have been negotiated bilaterally by individual Member States, Mr Cillario told us that “the Commission is keen to assert its role when it comes to EU-wide matters”.⁵¹⁶ He recommended that the Government should take up issues relating to mobility in general with the Commission.

Conclusions and recommendations

333. **Post-Brexit changes to arrangements for mobility between the UK and the EU have had a particularly significant impact on younger people. We therefore recommend that the Government should approach the EU about the possibility of entering negotiations around an ambitious reciprocal youth mobility partnership. In common with existing youth mobility arrangements that the UK and individual EU Member States have agreed with other jurisdictions, this would allow**

⁵¹⁰ Q 134 (Lucy Monks)

⁵¹¹ *Ibid.*

⁵¹² Written evidence from ABTA (UKE0039), Q 122 (Joss Croft) and Q 145 (Lucy Monks)

⁵¹³ Home Office, ‘Immigration Rules’: <https://www.gov.uk/guidance/immigration-rules/immigration-rules-appendix-youth-mobility-scheme-eligible-nationals> [accessed 25 April 2023]

⁵¹⁴ Q 135 (Charley Robinson)

⁵¹⁵ Q 209 (Olaf Henricson-Bell). See also Letter from Leo Docherty MP to the Chair (30 March 2023): <https://committees.parliament.uk/publications/38415/documents/191491/default/>.

⁵¹⁶ Q 152 (Marco Cillario)

young people to apply for fixed-term visas to travel and work in the other partner on preferential terms.

- 334. Now that the UK has left the EU, questions about the exercise of EU competence are no longer our immediate concern. Nevertheless, the simplicity of agreeing with the Commission a single youth mobility arrangement that applies across the EU (rather than 27 separate arrangements) is attractive to us. We therefore recommend that as a first step the Government explores this possibility with the EU.**
- 335. We recommend that any such scheme should ideally be reciprocal, that numbers should be capped and that participants should have no automatic permanent residence rights in the country that they visit. We anticipate that the establishment of a UK-EU youth mobility partnership along these lines would have little impact on wider levels of immigration.**

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Introduction

1. We received some fresh evidence relating to the wider economic and trade relationship. On the basis of this information we stand by key recommendations from our report on trade in goods, including that the Government should seek an agreement with the EU on Sanitary and Phytosanitary (SPS) rules, and that it should provide additional support for small businesses affected by the changes to trade arrangements. We also reiterate our view, expressed in our report on the UK-EU relationship in financial services, that the Government should seek to conclude the proposed Memorandum of Understanding with the EU on financial services cooperation as soon as possible. It is disappointing that little progress has been made so far. We retain a close interest in these themes and will be monitoring developments closely, particularly in light of the improved atmosphere for UK-EU relations following the agreement on the Windsor Framework. (Paragraph 10)
2. Many of our recommendations focus on actions that we believe should be taken within the next few months, as part of a systematic effort at developing a more cooperative relationship following the agreement on the Windsor Framework. We also hope that this report will help to inform the forthcoming review of the TCA, due to take place in 2025, which will be a focus for the Committee. It will be important to identify policy areas where there is genuine mutual benefit in strengthened UK-EU cooperation and in expanding the scope of the TCA in order to avoid characterisation as cherry picking. We have acted in that spirit in the recommendations we have made in this report. (Paragraph 11)

The political, diplomatic and institutional relationship

3. We deeply regret that the political relationship between the UK and the EU was characterised by tension and mistrust for the first two years after the TCA came into force. The state of relations during this period was highly unsatisfactory for one of the UK's closest and most important external relationships. (Paragraph 36)
4. We welcome the change in the mood around UK-EU relations since autumn 2022, and especially since the agreement on the Windsor Framework was concluded in February 2023. We urge the Government and the EU to seize the opportunities that these developments present to prioritise a systematic and lasting effort at developing a more cooperative relationship and rebuilding mutual trust. This should include concluding specific cooperation agreements as soon as possible where these had previously been blocked due to the dispute over the Protocol on Ireland/Northern Ireland, for example on UK association to Horizon Europe, electricity trading and financial services. (Paragraph 37)
5. The past two years have highlighted the importance of mutual trust to a cooperative relationship between the UK and the EU. As an essential step towards rebuilding trust, the Government must ensure that it seeks to maintain a regular dialogue with the EU institutions at all levels. At the core of this will be more regular use of the existing institutional framework established under the Withdrawal Agreement and the TCA. (Paragraph 38)

6. It is inevitable that policy developments in each of the UK and the EU will sometimes have implications for the other partner in the relationship. Where this is the case, it is imperative that the Government and the European Commission engage with one another through the relevant institutional forums from as early a stage as possible in the respective UK and EU policy processes, with the aim of addressing any potential issues before they escalate into significant disputes. Issues of this sort cannot be solved solely through contact with Member States. (Paragraph 39)
7. It is also important that parliamentary select committees are able to scrutinise the potential implications of policy developments in the UK and the EU for UK-EU relations. We thank the Government for reaching an agreement with this Committee, and with the European Scrutiny Committee in the House of Commons, to help facilitate this. (Paragraph 40)
8. We regret that to date most of the committees and working groups established under the TCA have met infrequently and considered little substantive business. A considerable increase in both the intensity of activity within these institutional structures and the significance of the outcomes of this activity should be a key component of a wider reset of UK-EU relations if the aims of the TCA are to be achieved. Closer involvement of UK Ministers and EU Commissioners in the work of these groups, and in particular those covering critical areas of cooperation such as trade and energy, will be required to provide the impetus necessary for this. (Paragraph 60)
9. It is indicative of the inactivity of the institutions established under the TCA that the Partnership Council, the senior-level body that oversees implementation of the agreement, has met only twice in the almost two-and-a-half years since the TCA came into force, with the second of these meetings not taking place until March 2023. We recommend that this body should meet, at a bare minimum, twice per year. It should also meet at short notice wherever issues that require input from the UK Ministers and EU Commissioners responsible for UK-EU relations arise in other forums. (Paragraph 61)
10. In order for the institutions to work efficiently and effectively it is important both that Ministers and Commissioners provide the necessary political momentum and that officials are encouraged to prepare the detailed decisions to be taken by the Joint Committee and the Partnership Council. Neither condition has so far been fully met. (Paragraph 62)
11. The current double-headed system of committees and working groups may not prove to be the most efficient or effective system for managing the UK-EU relationship in the longer-term, given its complexity and that it does not cover important policy areas in which cooperation may develop in the future. We recommend that, when the TCA is reviewed in 2025, consideration should be given to moving towards a single structure of committees covering all major areas of cooperation. (Paragraph 63)
12. We consider it important that the UK's devolved administrations are able to contribute effectively to the institutional structures for UK-EU relations. To help facilitate this, we recommend that relevant Interministerial Groups should be convened routinely in advance of meetings of the UK-EU institutions, to enable the devolved governments to feed in their views. We also recommend that Ministers and officials from the devolved administrations should continue to be invited to participate as members of the UK delegation

at meetings of the institutions where matters within devolved competence are on the agenda. (Paragraph 64)

13. We recommend that regular UK-EU summits should be held as a focus for political and diplomatic engagement, including at the level of the Prime Minister and the Presidents of the Commission and the European Council. Such summits would also facilitate engagement between Cabinet ministers and European Commissioners with equivalent responsibilities. We urge the Government to approach the EU without further delay with a proposal to host an inaugural summit in the UK before the end of 2023. (Paragraph 65)
14. We welcome that two productive meetings of the Parliamentary Partnership Assembly have now taken place. We anticipate that this institution will play an important role in wider efforts to rebuild the relationship between the UK and the EU as it continues to develop over the next few years. The practice of inviting members of the devolved legislatures to meetings of the PPA, and facilitating opportunities for them to contribute, should be continued. (Paragraph 66)
15. While we welcome that the civil society institutions established under the TCA are now operational, we note the concerns that have been expressed to us about the current arrangements for participation of UK civil society organisations, including the absence of funding to support attendance at meetings. We ask the Government to discuss this matter with UK civil society representatives as a priority ahead of the second meeting of the Civil Society Forum, with the aim of ensuring that UK representatives are able to participate on an equivalent basis to their EU counterparts. (Paragraph 67)
16. We welcome the then Prime Minister's decision to attend the inaugural EPC summit in Prague. This was a strong symbol of a renewed intention for the UK to engage positively with European partners, including EU Member States, other non-members of the EU and the EU institutions, on matters of common interest. The outcomes from the first summit have already demonstrated that the EPC can be a productive forum for securing progress on important issues. (Paragraph 78)
17. We believe that the UK should play as full a part as possible in the EPC and therefore welcome the fact that it will be hosting the fourth summit, in 2024. We look forward to this event, which should be an excellent opportunity for the Government to drive pan-European cooperation on issues of particular interest to the UK and to demonstrate a constructive approach to the UK's relations with wider European partners. (Paragraph 79)
18. We nevertheless stress that participation in the EPC cannot in itself be a substitute for enhanced bilateral engagement with the EU through the institutions established under the Withdrawal Agreement and the TCA, or for dedicated UK-EU summits. (Paragraph 80)
19. We agree with several of our witnesses that it would be desirable for the EPC to remain a relatively informal, intergovernmental body. If it were to become more heavily institutionalised, it is likely that it would be more difficult to maintain the support of such a wide group of participants, which is a key advantage of the current format. (Paragraph 81)

20. The EPC should work cooperatively with the Council of Europe so they remain complementary. The Government should also examine ways of giving greater priority to the work of the Council of Europe. (Paragraph 82)
21. Every Government department, as well as the devolved administrations, has an interest in the UK's relationship with the EU. In order to successfully manage the continually evolving relationship with the EU in a way that promotes and protects the UK's interests, we consider that there needs to be a strong coordinating machinery in Whitehall and with UKMis to ensure coherence in the UK's approach. We were therefore concerned to hear that internal coordination arrangements may not be working as effectively as they could be. Our own experience of engagement with the Government has borne this out. (Paragraph 93)
22. We would emphasise that many developments in the EU continue to have important implications for the UK. Given this, it is essential that the UK, through the machinery in Whitehall and UKMis, makes representations at an early stage of the EU's complex policy process in a coordinated and effective manner. The machinery of government must be set up in a way that facilitates this. (Paragraph 94)
23. During the UK's membership the Foreign and Commonwealth Office (now the FCDO) had lead responsibility for handling relations with the EU, while there was also a strong inter-departmental coordinating machinery in the Cabinet Office. We believe that the same combination is needed to handle post-Brexit relations with the EU. (Paragraph 95)
24. We consider that the importance of effective arrangements for inter-departmental coordination, and for coordination between the UK Government and the devolved administrations, on EU-related matters will only become greater if the intensity of engagement between the UK and the EU increases over the coming years, in line with the recommendations elsewhere in this chapter. (Paragraph 96)
25. We ask the Government to set out in its response to this report how the system of coordination on EU policy currently works, and in particular (i) how UKMis is involved, (ii) the relationship between the FCDO and the Cabinet Office, (iii) how other departments in Whitehall are involved and (iv) how the Government engages with the devolved administrations, specifically on EU-related policy, and what part the Interministerial Groups play in this. We hope the Government will be able to report how improved and strengthened inter-departmental coordination is leading to more effective outcomes. (Paragraph 97)

The foreign policy, defence and security relationship

26. Overall, cooperation between the UK and the EU has been close and productive in response to the Russian invasion of Ukraine. This cooperation will need to continue and be developed further, including in the context of the post-war reconstruction of Ukraine, during which the UK and the EU will both have important roles to play. (Paragraph 117)
27. We welcome the effective cooperation between the UK and EU in the imposition of sanctions against Russia. The overall sanctions regime must, however, be more robust. We believe, in particular, that closer cooperation between Western partners, including the UK and the EU, is needed on the

implementation and enforcement of sanctions and the evaluation of their success or failure. We therefore welcome the announcement of a new G7 Enforcement Coordination Mechanism. (Paragraph 118)

28. Complementary to the Enforcement Coordination Mechanism, we recommend that the UK and the EU should agree a Memorandum of Understanding around information sharing and cooperation on imposition, implementation and enforcement of sanctions as soon as possible, similar to the enhanced sanctions partnership agreement reached between the Government and the US Treasury. This need not be an elaborate mechanism but we believe that it would be beneficial to have some formal arrangements in place, which would help to ensure that momentum is maintained beyond the current phase of the war. (Paragraph 119)
29. A careful calibration of international cooperation on sanctions policy, including a system for monitoring enforcement, would provide added value in relation to other current and future threats where sanctions can be a deterrent. We can be sure that the objects of UK and EU sanctions will be working hard to diminish their impact and only the closest cooperation over implementation will ensure their effectiveness. (Paragraph 120)
30. We welcome the fact that the Government recognised the importance of the European Union in its Integrated Review Refresh 2023. We will closely monitor how these ambitions are translated into policies. (Paragraph 121)
31. We welcome the Government's decision to join PESCO's Military Mobility project, which represents a change from its previous position on PESCO and is an example of a more pragmatic approach towards cooperation with the EU. We agree with the Minister for Europe that the Government should continue to consider seeking third-country participation in other PESCO projects on a case-by-case basis, where this is in the UK's interests. (Paragraph 138)
32. We believe that it is important for the UK be actively involved in what one of our witnesses called a "European defence industrial ecosystem" and to ensure that UK interests are protected. The Government should therefore closely monitor the development of the European Defence Fund. We ask the Government to provide its current assessment of the implications of the EDF for the UK in its response to this report. (Paragraph 139)
33. We call on the Government to seek to put in place an administrative agreement with the European Defence Agency, similar to those agreed with other third countries, including the US, Norway, Switzerland, Serbia and Ukraine. (Paragraph 140)
34. We welcome the 2023 EU-NATO Joint Declaration and agree with its assessment that the European Union can play a complementary role in a NATO-led European security environment. In its response to this report we ask the Government to set out how it envisages giving practical effect to the statement, in paragraph 13 of the Joint Declaration, that "we encourage the fullest possible involvement of the NATO Allies that are not members of the EU in its initiatives". (Paragraph 141)
35. Events since the TCA came into force—in particular Russia's invasion of Ukraine and the response to it, but also China's increasingly assertive actions—have served to underline the mutual benefits to be gained from

close and continuing working arrangements between the UK, the EU and EU Member States on foreign and security policy issues. We hope that the agreement on the Windsor Framework will allow both the UK and the EU to explore in the spirit of cooperation how to deepen and improve working relations in these areas. (Paragraph 166)

36. We acknowledge that a great deal can be achieved through regular diplomatic engagement between the UK and the EU, outside any formal structures. Nevertheless, there would be considerable mutual benefit to this engagement being complemented by some structured arrangements for ongoing interaction and cooperation, for example in response to new and emerging threats. (Paragraph 167)
37. We recommend that the Government should approach the EU without further delay with the aim of establishing appropriate structured cooperation arrangements, as foreseen in the UK-EU Political Declaration of October 2019. These arrangements should be designed to respect the independent rights of both Parties to make decisions in these areas autonomously. (Paragraph 168)
38. We recommend that within any structured cooperation arrangements with the EU the Government should seek to agree arrangements that would enable the UK Foreign Secretary to engage with the EU Foreign Affairs Council at least twice per year. Provisions for Government ministers to be able to participate as a regular guest in other high-level discussions with their EU counterparts, for instance Gymnich meetings, should also be explored with the EU. (Paragraph 169)
39. The Government should continue to invest resources into its bilateral relationships with individual Member States, including on matters relating to foreign policy and security. Strong bilateral relationships can complement closer partnership with the EU institutions, as evidenced by the UK-France Lancaster House Treaties, and the UK-Germany Strategic Dialogue. The Government should seek to work towards a similar bilateral structure with the EU. (Paragraph 170)

Energy security and climate change

40. We welcome the close technical cooperation between the UK and the EU in response to the energy security challenges in Europe since the Russian invasion of Ukraine, and that to date energy trading between the UK and the EU has continued without disruption. (Paragraph 190)
41. However, we regret that the TCA's Specialised Committee on Energy met only twice in 2022, despite the unprecedented crisis. Following the agreement on the Windsor Framework, we expect that this forum will now be more active. (Paragraph 191)
42. We recommend that the close technical cooperation on energy security between the UK and the EU should also be extended to the political level, including through regular meetings at the level of the Secretary of State for Energy Security and Net Zero and the European Commissioner for Energy. (Paragraph 192)
43. We call on the Government to approach the EU, without further delay, with the aim of reaching an agreement to guarantee that energy flows between

the UK and the EU would be maintained in the event of a critical shortage of energy supply. (Paragraph 193)

44. We recommend that the UK and the EU should cooperate closely on the installation of additional multipurpose interconnectors of substantial capacity, which will be needed to support energy security in the future. We ask the Government to update us on the extent of such cooperation in its response to this report. (Paragraph 194)
45. We urge the UK and the EU to conclude an agreement to deliver on the provisions in the TCA relating to energy trading without further delay, now that the agreement on the Windsor Framework has been reached. We ask the Government to provide us with an update on this in response to this report. (Paragraph 205)
46. We welcome the Memorandum of Understanding between the UK and the North Seas Energy Cooperation, so far as it goes. Engagement between the UK and other North Seas countries on the development of renewable energy infrastructure in the North Seas, including Multipurpose Interconnectors, is essential in light of the ambition of respective decarbonisation targets. (Paragraph 206)
47. We recommend that the Government keep under review whether the MoU provides for sufficiently close cooperation with the NSEC or whether there would be benefits to seeking a further agreement, providing for full membership. We also ask the Government to explain the rationale for not seeking full membership in its response to this report. (Paragraph 207)
48. We note that the energy provisions under Title VIII of the TCA expire in June 2026 and recommend that the Government seeks to reach an agreement with the EU to extend these, as part of the TCA review in 2025, to ensure that cooperation can continue and expand. (Paragraph 208)
49. We recommend that the UK approach the EU to explore the feasibility of linking their respective Emissions Trading Schemes. We note that the evidence we received on the implications of a shared scheme for UK sovereignty in this area was mixed, but we believe that following the Swiss precedent, such a policy could be implemented without negatively affecting the UK's autonomy to design its own trading scheme. The evidence we received indicated that there would be significant mutual benefits to be gained from such an arrangement. (Paragraph 222)
50. We understand that aspects of these negotiations may prove to be complex but the Government should enter discussions in a “can-do” spirit. Since the UK and EU Emissions Trading Schemes are currently similar in design and scope, it is likely that a link would be easier to achieve sooner rather than later, given the possibility of greater divergence over time. (Paragraph 223)
51. The EU's proposed Carbon Border Adjustment Mechanism (CBAM) is a clear example of how EU policy developments can have important implications for the UK, and of the need for the Government to engage early with the EU policy process to promote and protect the UK's interests. There could be serious risks in terms of trade diversion and damage to mutual UK-EU trade if their respective CBAMs on third country trade were to diverge substantially. (Paragraph 235)

52. We consider that the potential implications of the EU CBAM for the UK, including for trade between Great Britain and Northern Ireland, further strengthens the argument for linking the UK and EU Emissions Trading Schemes. (Paragraph 236)
53. In response to this report we ask the Government to update us on what discussions have taken place with the EU about CBAMs so far, including where in the existing TCA structure the subject of CBAMs has been discussed. (Paragraph 237)

Mobility of people

54. The end of free movement of people between the UK and the EU has inevitably resulted in new barriers to business and professional mobility, in both directions. The precise impact has varied greatly between sectors. We urge the Government to continue to monitor the implications of the domestic migration rules introduced following Brexit and the provisions of the TCA for mobility between the UK and the EU. The Government should be prepared to adjust visa eligibility criteria in response to labour shortages in specific sectors and we ask the Government to describe how it is managing this in its response to this report. The Government must also raise concerns about outward mobility arrangements with the EU and individual Member States. We ask the Government where, within the TCA institutional structure, this is being addressed. (Paragraph 264)
55. The evidence that we have considered suggests that the complexity of the post-Brexit rules is a significant barrier to mobility. We accordingly recommend that the Government strengthens its guidance on business and professional travel between the UK and EU Member States, making it more straightforward to navigate and interpret, including for small businesses and independent professionals. We believe that the guidance needs to be dynamically updated. (Paragraph 265)
56. We are disappointed that very little progress has been made in addressing the challenges faced by creative professionals wishing to work and tour in the EU, despite the Government having been aware of these problems for a considerable period of time. We recommend that these issues are now taken up with the EU as a priority by FCDO ministers. In its response we ask the Government to detail which TCA Specialised Committee is considering these issues. This matter should also be raised with the Commission at the Partnership Council and we ask the Government to request that they be included on the agenda for the next meeting. (Paragraph 266)
57. Negotiations with the EU and individual Member States to address the barriers to mobility of creative professionals that have been identified should be continued with vigour. We ask the Government to provide an update on engagement with the EU and individual Member States on this matter in its response to this report. (Paragraph 267)
58. Many of the barriers to business and professional mobility highlighted by witnesses may be partially addressed through a reciprocal youth mobility arrangement with the EU and/or individual Member States. This possibility is discussed in the final section of this chapter. (Paragraph 268)
59. We consider school visits between the UK and the EU to have substantial value as a means of exposing children to different cultures. We agree with

our witnesses that the large decline in inbound school visitors to the UK from the EU will have a considerable long-term cultural impact, as well as having a significant economic impact. (Paragraph 283)

60. We welcome the references to reciprocal steps to facilitate school visits in the Joint Leaders' Declaration issued following the Anglo-French summit on 10 March 2023. We ask the Government to provide more detail about the proposed "changes to documentary requirements" for inbound school visitors from France in its response to this report, and to provide us with an update on progress towards implementation of this commitment. (Paragraph 284)
61. We recommend that the Government should reintroduce a youth group travel scheme that would not require pupils travelling on school visits from any EU country to carry individual passports. This scheme should be designed with appropriate safeguards to ensure that any risks to border security are minimised. (Paragraph 285)
62. We additionally recommend that the Government, through its embassies in EU Member States, should initiate a campaign to actively promote educational group travel to the UK, with the aim of reversing the decline in visitor numbers. (Paragraph 286)
63. We also urge the Government to explore the possibility of including reciprocal funding for school group mobility within the Turing scheme, which would provide additional support for visits to the UK. Such arrangements could draw on the experience of the Taith programme that has been introduced by the Welsh Government. (Paragraph 287)
64. The substantial reduction in the number of EU students enrolling at UK universities is an inevitable consequence of these students no longer being eligible to pay home fees and of the introduction of other additional barriers to studying in the UK, such as the need to secure a visa. (Paragraph 314)
65. We agree with our witnesses that EU students bring considerable benefits to UK universities, widening the diversity of the student population and facilitating cultural exchange. We therefore recommend that the Government should work to ensure that barriers to enrolment such as challenges in obtaining visas are minimised. (Paragraph 315)
66. We welcome the fact that the Turing scheme has supported a substantial number of outward mobility experiences since its launch. The scheme has significant strengths, including its flexibility in terms of the types of mobility that are supported and its focus on widening participation. (Paragraph 316)
67. Nevertheless, we regret that the Government did not explore the possibility of a reciprocal student exchange programme that would enable the benefits that visiting students from the EU bring to English universities—including the long-term cultural impact—to be maintained. The Taith scheme introduced by the Welsh Government is a good model for how a reciprocal student exchange scheme can operate post-Brexit. (Paragraph 317)
68. Accordingly, we recommend that the Government should now explore with the higher education sector the possibility of adding a reciprocal element to the Turing scheme, drawing on the experience of Taith. Within these discussions, the Government should also consider whether there is scope for domestic student exchange schemes such as Turing and Taith to run

alongside any resumed participation in aspects of Erasmus+, which would need to be negotiated with the EU. (Paragraph 318)

69. We reiterate our view that UK association to Horizon Europe and other EU research programmes would be a win-win for the UK and the EU. Now that agreement has been reached on the Windsor Framework, the necessary steps to complete UK association should be concluded as soon as possible. (Paragraph 319)
70. Post-Brexit changes to arrangements for mobility between the UK and the EU have had a particularly significant impact on younger people. We therefore recommend that the Government should approach the EU about the possibility of entering negotiations around an ambitious reciprocal youth mobility partnership. In common with existing youth mobility arrangements that the UK and individual EU Member States have agreed with other jurisdictions, this would allow young people to apply for fixed-term visas to travel and work in the other partner on preferential terms. (Paragraph 333)
71. Now that the UK has left the EU, questions about the exercise of EU competence are no longer our immediate concern. Nevertheless, the simplicity of agreeing with the Commission a single youth mobility arrangement that applies across the EU (rather than 27 separate arrangements) is attractive to us. We therefore recommend that as a first step the Government explores this possibility with the EU. (Paragraph 334)
72. We recommend that any such scheme should ideally be reciprocal, that numbers should be capped and that participants should have no automatic permanent residence rights in the country that they visit. We anticipate that the establishment of a UK-EU youth mobility partnership along these lines would have little impact on wider levels of immigration. (Paragraph 335)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Adonis (from 31 January 2023)
 Baroness Anelay of St Johns (from 31 January 2023)
 Baroness Blackstone (from 31 January 2023)
 Baroness Coughtie (until 12 December 2022)
 Lord Faulkner of Worcester (until 31 January 2023)
 Lord Foulkes of Cumnock (until 31 January 2023)
 Lord Hannay of Chiswick
 Lord Jay of Ewelme
 The Earl of Kinnoull (Chair)
 Lord Lamont of Lerwick
 Lord Liddle
 Baroness Ludford (from 31 January 2023)
 Baroness Nicholson of Winterbourne (from 31 January 2023)
 Lord Purvis of Tweed (until 31 January 2023)
 Baroness Scott of Needham Market
 Viscount Trenchard
 Lord Tugendhat (until 31 January 2023)
 Lord Wood of Anfield

Declarations of interest

Lord Adonis
No relevant interests declared
 Baroness Anelay of St Johns
No relevant interests declared
 Baroness Blackstone
No relevant interests declared
 Baroness Coughtie
No relevant interests declared
 Lord Faulkner of Worcester
No relevant interests declared
 Lord Foulkes of Cumnock
No relevant interests declared
 Lord Hannay of Chiswick
Chair, European and International Analysts Group
Member, European Leadership Network
Advisory Board, Centre for European Reform
 Lord Jay of Ewelme
Chair, European Policy Forum Advisory Council
Member, European and International Analysts Group
 The Earl of Kinnoull (Chair)
No relevant interests declared
 Lord Lamont of Lerwick
Member, Advisory Board OMFIF
Director, European Opportunities Investment Trust
Official Monetary Financial Institutions Forum

Lord Liddle

No relevant interests declared

Baroness Ludford

No relevant interests declared

Baroness Nicholson of Winterbourne

No relevant interests declared

Lord Purvis of Tweed

No relevant interests declared

Baroness Scott of Needham Market

No relevant interests declared

Viscount Trenchard

Chairman and Director, Epic Investment Funds PCC Limited

Chairman and Director, Standon Calling Limited

Director, Jade Road Investment Limited

Lord Tugendhat

No relevant interests declared

Lord Wood of Anfield

No relevant interests declared

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at <https://committees.parliament.uk/work/6868/the-future-ukeu-relationship/publications/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

*	Rt Hon Lord Frost, former Minister for the Cabinet Office with responsibility for UK-EU relations	<u>QQ 1–13</u>
*	Rt Hon Lord Mandelson, former European Commissioner for Trade	
*	Professor Alexander Stubb, former Prime Minister of Finland	<u>QQ 14–22</u>
*	Professor Malcolm Chalmers, Deputy Director-General at Royal United Services Institute	<u>QQ 23–34</u>
*	Sophia Gaston, Head of Foreign Policy, Policy Exchange	
*	Dr Rosa Balfour, Director, Carnegie Europe	<u>QQ 35–45</u>
*	Dr Nathalie Tocci, Director, Istituto Affari Internazionali	
*	Georgina Wright, Senior Fellow and Director, Europe Programme, Institut Montaigne	
*	Sir Julian King, former European Commissioner for the Security Union and former UK Ambassador to France and Ireland	<u>QQ 46–63</u>
*	Lord Ricketts, former National Security Adviser, former Permanent Secretary at the Foreign and Commonwealth Office and former UK Ambassador to France	
*	Lord Stirrup, former Chief of the Defence Staff	
*	Dr Peter Ammon, former German Ambassador to the UK	<u>QQ 64–74</u>
*	Sylvie Bermann, former French Ambassador to the UK	
*	Micheline Calmy-Rey, former President and Head of the Federal Department of Foreign Affairs of Switzerland	<u>QQ 75–80</u>
*	Professor Michael Ignatieff, former Leader of the Liberal Party of Canada	
*	Ed Birkett, Head of Energy and Climate Change, Onward	<u>QQ 81–96</u>

- ★ Dr Caroline Kuzemko, Co-Lead of Energy GRP, University of Warwick
- ★ Dr Simone Tagliapietra, Senior Fellow, Bruegel
- ★★ Adam Berman, Deputy Director, Energy UK [QQ 97–109](#)
- ★ Mark Copley, Chief Executive Officer, European Federation of Energy Traders
- ★★ Matt Hinde, Head of EU Affairs, National Grid
- ★ Dustin Benton, Policy Director, Green Alliance [QQ 110–116](#)
- ★ Silke Goldberg, Global Head of ESG, Herbert Smith Freehills
- ★★ Jonny Peters, Senior Policy Adviser, E3G
- ★ Rhammel Afflick, Head of Advocacy and Communications, British Youth Council [QQ 117–125](#)
- ★★ Joss Croft, Chief Executive Officer, UKinbound
- ★ Stephen Lowy, Chair, British Educational Travel Association
- ★ Ellie Gomersall, President, National Union of Students Scotland [QQ 126–135](#)
- ★ Anne-Marie Graham, Chief Executive, UK Council for International Student Affairs
- ★★ Charley Robinson, Head of Global Mobility Policy, Universities UK International
- ★★ William Bain, Head of Trade Policy, British Chambers of Commerce [QQ 136–146](#)
- ★★ Lucy Monks, Head of International Affairs, Federation of Small Businesses
- ★ Emma Rowland, Policy Advisor, Institute of Directors
- ★★ Deborah Annetts, Chief Executive, Independent Society of Musicians [QQ 147–154](#)
- ★★ Marco Cillario, International Policy Manager, Law Society of England and Wales
- ★★ Luke Petherbridge, Director of Public Affairs, ABTA—The Travel Association
- ★ Susana Galván, Executive Director, Taith [QQ 155–161](#)
- ★ Dr Elid Morris, Director of Operations, Taith
- ★ Dr Elin Royles, Senior Lecturer in International Politics, Aberystwyth University [QQ 162–167](#)
- ★★ Charles Whitmore, Coordinator, Wales Civil Society Forum on Brexit
- ★ Lord Hague of Richmond, former Foreign Secretary [QQ 168–188](#)

- ★★ Leo Docherty MP, Minister for Europe, Foreign,
Commonwealth and Development Office [QQ 189–216](#)
- ★★ Olaf Henricson-Bell, EU Director, Foreign,
Commonwealth and Development Office

Alphabetical list of all witnesses

- ★ Rhammel Afflick, Head of Advocacy and
Communications, British Youth Council ([QQ 117–125](#))
All Party Parliamentary Group on Music [UKE0010](#)
- ★ Dr Peter Ammon, former German Ambassador to the
UK ([QQ 64–74](#))
- ★★ Deborah Annetts, Chief Executive, Independent
Society of Musicians ([QQ 147–154](#)) [UKE0022](#)
Association of British Orchestras [UKE0054](#)
- ★★ William Bain, Head of Trade Policy, British Chambers
of Commerce ([QQ 136–146](#)) [UKE0059](#)
- ★ Dr Rosa Balfour, Director, Carnegie Europe ([QQ 35–
45](#))
Bar Council [UKE0069](#)
- ★ Dustin Benton, Policy Director, Green Alliance
([QQ 110–116](#))
- ★★ Adam Berman, Deputy Director, Energy UK ([QQ 97–
109](#)) [UKE0002](#)
- ★ Sylvie Bermann, former French Ambassador to the UK
([QQ 64–74](#))
- ★ Ed Birkett, Head of Energy and Climate Change,
Onward ([QQ 81–96](#))
Tammy Bouju, English teacher [UKE0011](#)
British Chamber of Commerce EU & Belgium [UKE0056](#)
British Multi Country Residents [UKE0067](#)
- ★ Micheline Calmy-Rey, former President and Head
of the Federal Department of Foreign Affairs of
Switzerland ([QQ 75–80](#))
Centre for Inclusive Trade Policy [UKE0066](#)
- ★ Professor Malcolm Chalmers, Deputy Director-
General at Royal United Services Institute ([QQ 23–34](#))
CHEM Trust [UKE0043](#)
Chemical Industries Association [UKE0064](#)
- ★★ Marco Cillario, International Policy Manager, Law
Society of England and Wales ([QQ 147–154](#)) [UKE0013](#)
City of London Corporation [UKE0068](#)
Contemporary Visual Arts Network England [UKE0019](#)

- ★ Mark Copley, Chief Executive Officer, European Federation of Energy Traders ([QQ 97–109](#))

Coventry University Group [UKE0025](#)
- ★★ Joss Croft, Chief Executive Officer, UKinbound ([QQ 117–125](#)) [UKE0051](#)

Culture, Communications, Sport, Welsh Language and International Relations Committee, Senedd [UKE0028](#)
- ★★ Leo Docherty MP, Minister for Europe, Foreign, Commonwealth and Development Office ([QQ 189–216](#)) [UKE0016](#)

Edinburgh University Environmental Policy and Lobbying Society [UKE0063](#)

European and International Analysts Group [UKE0012](#)

Alexander Evans, Professor in Practice at the London School of Economics [UKE0030](#)
- ★ Rt Hon Lord Frost, former Minister for the Cabinet Office with responsibility for UK-EU relations ([QQ 1–13](#))
- ★ Susana Galván, Executive Director, Taith ([QQ 155–161](#))
- ★ Sophia Gaston, Head of Foreign Policy, Policy Exchange ([QQ 23–34](#))
- ★ Silke Goldberg, Global Head of ESG, Herbert Smith Freehills ([QQ 110–116](#))
- ★ Ellie Gomersall, President, National Union of Students Scotland ([QQ 126–135](#))

Government of Guernsey and Government of Jersey [UKE0034](#)
- ★ Anne-Marie Graham, Chief Executive, UK Council for International Student Affairs ([QQ 126–135](#))

Group of Blue Badge Tourist Guides [UKE0061](#)

Group of colleagues from Université Catholique de l’Ouest, Angers campus, France [UKE0023](#)
- ★ Lord Hague of Richmond, former Foreign Secretary ([QQ 168–188](#))

Fred Hale, musician [UKE0035](#)

Dr Jayne Hamilton, IT services freelancer [UKE0001](#)
- ★★ Olaf Henricson-Bell, EU Director, Foreign, Commonwealth and Development Office ([QQ 189–216](#)) [UKE0016](#)
- ★★ Matt Hinde, Head of EU Affairs, National Grid ([QQ 97–109](#)) [UKE0044](#)

Lindsay Hirst, Doctoral researcher, University of Cambridge [UKE0015](#)

- ★ Professor Michael Ignatieff, former Leader of the Liberal Party of Canada ([QQ 75–80](#))
Independent Commission on UK-EU Relations [UKE0021](#)
Institute for European Environmental Policy UK [UKE0046](#)
Just Fair [UKE0024](#)
- ★ Sir Julian King, former European Commissioner for the Security Union and former UK Ambassador to France and Ireland ([QQ 46–63](#))
- ★ Dr Caroline Kuzemko, Co-Lead of Energy GRP, University of Warwick ([QQ 81–96](#))
Law Society of Northern Ireland [UKE0071](#)
Law Society of Scotland [UKE0058](#)
Legislation, Justice and Constitution Committee, Senedd [UKE0033](#)
Gaia Lisi, Dr Markus Gehring and Nick Scott, Centre for Climate Engagement, Hughes Hall, University of Cambridge [UKE0047](#)
LIVE [UKE0041](#)
- ★ Stephen Lowy, Chair, British Educational Travel Association ([QQ 117–125](#))
- ★ Rt Hon Lord Mandelson, former European Commissioner for Trade ([QQ 1–13](#))
Giulio Marini, Solicitor [UKE0006](#)
Mineral Products Association [UKE0032](#)
- ★★ Lucy Monks, Head of International Affairs, Federation of Small Businesses ([QQ 136–146](#)) [UKE0070](#)
- ★ Dr Elid Morris, Director of Operations, Taith ([QQ 155–161](#))
Musicians' Union [UKE0017](#)
Stephen Oades, IT Employee [UKE0003](#)
Irene Oldfather, Director of Strategic Partnerships and Engagement, Health and Social Care Alliance Scotland and Vice-Chair, UK Domestic Advisory Group [UKE0072](#)
- ★★ Jonny Peters, Senior Policy Adviser, E3G ([QQ 110–116](#)) [UKE0038](#)
- ★★ Luke Petherbridge, Director of Public Affairs, ABTA—The Travel Association ([QQ 147–154](#)) [UKE0039](#)
Jonathan Portes, Professor of Economic and Public Policy, King's College London [UKE0014](#)
Pupils 2 Parliament [UKE0018](#)

- ★ Lord Ricketts, former National Security Adviser,
former Permanent Secretary at the Foreign and
Commonwealth Office and former UK Ambassador to
France ([QQ 46–63](#))
- ★★ Charley Robinson, Head of Global Mobility Policy,
Universities UK International ([QQ 126–135](#)) [UKE0048](#)
- ★ Dr Elin Royles, Senior Lecturer in International
Politics, Aberystwyth University ([QQ 162–167](#))
- ★ Emma Rowland, Policy Advisor, Institute of Directors
([QQ 136–146](#))
- Russell Group [UKE0057](#)
- SSE [UKE0053](#)
- ★ Lord Stirrup, former Chief of the Defence Staff
([QQ 46–63](#))
- ★ Professor Alexander Stubb, former Prime Minister of
Finland ([QQ 14–22](#))
- ★ Dr Simone Tagliapietra, Senior Fellow, Bruegel
([QQ 81–96](#))
- ★ Dr Nathalie Tocci, Director, Istituto Affari
Internazionali ([QQ 35–45](#))
- UCL Institute for Sustainable Resources [UKE0052](#)
- UK Environmental Law Association [UKE0036](#)
- UK in a Changing Europe [UKE0029](#)
- UK Music [UKE0009](#)
- Simon Usherwood, Professor of Politics and
International Studies, The Open University [UKE0020](#)
- ★★ Charles Whitmore, Coordinator, Wales Civil Society
Forum on Brexit ([QQ 162–167](#)) [UKE0062](#)
- Professor Sarah Wolff and Christian Turner,
NEXTEUK project, Queen Mary University of
London [UKE0004](#)
- ★ Georgina Wright, Senior Fellow and Director, Europe
Programme, Institut Montaigne ([QQ 35–45](#))

APPENDIX 3: CALL FOR EVIDENCE

The overall political, diplomatic and institutional relationship

1. How would you describe the current state of UK-EU relations? Has this changed since the end of the transition period and, if so, how and why?
 - (a) How would you characterise the current levels of trust between the UK and the EU?
 - (b) To what extent is the state of the overall political relationship affecting UK-EU cooperation in specific policy areas? If so, how and why?
2. Are there any future developments in the EU or the UK that you would identify as having a significant impact on the UK-EU relationship?
 - (a) What, if any, is the likely impact on the UK of any future enlargement of the EU, particularly into Eastern Europe and the Western Balkans?
 - (b) French President Emmanuel Macron has recently advocated the creation of a new European Political Community, which could encompass non-EU states such as the UK. Do you think this is likely to come to fruition? If it did, what are the implications for the UK and its relationship with the EU?
3. Are the institutional architectures of the Withdrawal Agreement (WA) and the Trade and Cooperation Agreement (TCA) functioning as intended? If not, how could their functioning be improved within the existing framework?
 - (a) Is the UK-EU institutional framework fit for purpose? If not, what changes could or should be made?
 - (b) Would UK/EU relations benefit from regular summit-level meetings? If so, what form and how frequent should these be?
4. What role should the UK play in the Council of Europe now that it has left the EU?

The foreign policy and security relationship

5. How would you assess the current state of UK-EU cooperation on foreign policy, security and defence?
6. Has the absence of an institutional framework for structured UK-EU cooperation on foreign policy, security and defence made it more difficult for the UK and the EU to work together in this area?
 - (a) Previously, the Government has argued that an institutionalised framework is not necessary for the purposes of UK-EU foreign policy, security and defence cooperation. Do you agree with this position? Would an institutionalised framework for UK-EU foreign policy and security cooperation add value? What form might such a framework take if it is to be successful?
 - (b) Should the UK Government seek to deepen cooperation with the EU on foreign policy, security and defence and, if so, how?
 - (c) In your assessment, would the EU be amenable to deepening cooperation with the UK in this area? If so, on what terms?

7. How would you assess the quality of UK-EU cooperation over the response to Russia's invasion of Ukraine?
 - (a) Should Russia's invasion of Ukraine trigger a wider rethink of UK-EU foreign policy, security and defence cooperation?
8. What, if anything, are the possible implications for the UK of ongoing and future developments in the EU's Common Foreign and Security Policy (CFSP) and its Common Security and Defence Policy (CSDP)? You may wish to comment in particular on the following:
 - (a) The implications for the UK of the EU's approach to 'strategic autonomy' in foreign policy;
 - (b) The implications for the UK of a possible move towards Qualified Majority Voting in EU foreign and security policy;
 - (c) The implications for UK defence procurement of the launch of the European Defence Fund.
9. How should cooperation with the EU on foreign policy, security and defence relate to the UK's participation in other international fora, such as the G7, NATO, and the Council of Europe?
 - (a) The 2022 NATO Strategic Concept states that "For the development of the strategic partnership between NATO and the EU, non-EU Allies' fullest involvement in EU defence efforts is essential." As a non-EU Member of NATO, how should the UK approach the relationship between NATO and the EU?
 - (b) In its most recent Annual Work Programme the European Commission proposed a new EU/NATO Joint Declaration. What might the implications of this be for UK-EU relations?

Environment and climate change

10. How would you assess the current state of UK-EU cooperation on environment and climate change matters?
 - (a) To what extent are the UK and the EU aligned in their overall aims in this area?
11. Should the UK seek to link its Emissions Trading Scheme (ETS) with that of the EU?
12. A proposed EU Regulation on a Carbon Border Adjustment Mechanism (CBAM) potentially applies to Northern Ireland under the terms of the Protocol. Focusing on its wider policy implications, what impact would the EU CBAM have on policy in Great Britain?
 - (a) The UK Government is currently consulting on introducing its own CBAM. If it did so, what would be the implications of this for the relationship with the EU?
13. Are there any changes you would like to see the Government pursue as far as the UK-EU relationship on environment and climate change is concerned?
 - (a) To what extent would these require negotiation with the EU?

Culture, education and mobility

14. How important are cultural and educational links to the overall UK-EU relationship and the UK's soft power?
 - (a) The UK Government opted not to participate in the EU's Erasmus+ programme for student exchanges. What has been the impact of this decision on universities and students?
 - (b) The Government has launched a domestic alternative to the Erasmus+ programme—the Turing scheme. To what extent has this been an adequate replacement for the Erasmus+ programme?
 - (c) How has Brexit impacted school visits between the UK and the EU?
15. Are there any changes you would like to see the Government pursue as far as the UK-EU cultural and educational relationship is concerned?
 - (a) To what extent would these require negotiation with the EU?
16. What has been the impact of the TCA's mobility provisions on UK businesses and individuals, and particularly on young people?
 - (a) Is the cultural sector well served by the current arrangements?
 - (b) Is the travel sector well served by the current arrangements?
 - (c) To what extent is it possible to distinguish between the impact of Brexit-related restrictions to business mobility on the one hand, and Covid-related travel restrictions and working patterns on the other?
 - (d) Have Brexit-related restrictions to mobility become more apparent as international travel has resumed?
17. Are there any changes you would like to see the Government pursue as far as UK-EU mobility is concerned?
 - (a) To what extent would these changes require negotiation, either with the EU or bilaterally with Member States?

Note on the UK-EU economic and trading relationship

During the last year, the Committee has produced two substantial reports on trade: one on trade in goods between Great Britain and the EU, and the other on the UK-EU relationship on financial services, with numerous conclusions and recommendations. We will consider during the course of this inquiry whether to add to or update these conclusions. Therefore, although the questions set out above do not encompass the UK-EU trade relationship, you are welcome to submit any additional suggestions you have in this area, and the Committee will consider them in due course.

APPENDIX 4: GLOSSARY OF ACRONYMS

BCC	British Chambers of Commerce
CBAM	Carbon Border Adjustment Mechanism
CoE	Council of Europe
CSDP	Common Security and Defence Policy
CSF	Civil Society Forum
DAG	Domestic Advisory Group
DCMS	Department for Culture, Media and Sport
EDA	European Defence Agency
EDF	European Defence Fund
EEA	European Economic Area
EPC	European Political Community
ETS	Emissions Trading Schemes
FCDO	Foreign, Commonwealth and Development Office
IoD	Institute of Directors
IMG	Interministerial Group
IR	Integrated Review of Security, Defence, Development and Foreign Policy
LNG	Liquefied Natural Gas
NSEC	North Seas Energy Cooperation
PESCO	Permanent Structured Cooperation
PPA	Parliamentary Partnership Assembly
RUSI	Royal United Services Institute
SPS	Sanitary and Phytosanitary
TCA	Trade and Cooperation Agreement
TTC	Trade and Technology Council
UKMis	UK Mission to the European Union
UKRep	UK Representation to the European Union