

## **Government response to the European Affairs Committee report**

### **Report from the European Affairs Committee on the UK-EU Future Relationship**

**28 June 2023**

1. The Government welcomes the Committee's report of 29 April on the future UK-EU relationship and is grateful to the Committee and to those who have provided evidence.
2. The Government has considered the evidence, findings and recommendations carefully and its responses to the issues raised in the report are set out below. Responses have been provided to the Committee's conclusions and recommendations, grouping them as appropriate.

#### **The overall political relationship between UK-EU**

**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)**

**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. (Paragraph 37)**

***RECOMMENDATION 1: 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)***

1. The Government and the EU are both committed to a positive, constructive relationship as partners. As set out in the Political Declaration accompanying the Windsor Framework agreement, the UK and EU intend to fully exploit the potential of the Trade and Cooperation Agreement (TCA), and will seek to maximise the potential of the relationship between the EU and the UK in ways that benefit both parties, including in a range of crucial areas such as energy, trade and security.
2. The UK and EU are already enjoying close collaboration and cooperation, including in support of Ukraine. We look forward to dialogues provided for under the TCA in the areas of cybersecurity and counterterrorism. We are also committed to progressing work on the electricity trading arrangements envisaged in the TCA and continuing dialogue on security of supply. Furthermore, the UK and EU have jointly published the text of the draft Memorandum of Understanding (MoU) on financial services, and we have agreed to finalise preparation for Working Groups in the areas of Technical Barriers to Trade.

3. On Horizon Europe, we are in discussions with the EU about the UK joining the scheme, and hope that these will be successful; that is our preference. Our participation must, however, be fair for UK researchers, businesses, and taxpayers, good value for money, and reflect the lasting impact of over two years of delays on the UK sectors' ability to participate successfully in the programme going forwards.

**The past two years have highlighted the importance of mutual trust to a cooperative relationship between the UK and the EU. (Paragraph 38)**

**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. (Paragraph 39)**

***RECOMMENDATION 2: 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)***

***RECOMMENDATION 3: 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)***

4. The Government agrees on the importance of maintaining a regular dialogue with the EU institutions at all levels and will continue to do so under both the formal Treaty framework and through other avenues. The Foreign Secretary is, for example, due to attend the UK-EU Parliamentary Partnership Assembly which will also provide the opportunity to engage with EU institutions beyond the Parliament while in Brussels. We agree that such dialogue can help to manage any potential implications of our respective policy developments. Of course, the success of these dialogues and fora also depends on mutual participation and engagement from both sides.

**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)**

5. The Government welcomes the scrutiny work of the parliamentary select committees and agrees with the Committee on its importance. We thank the Committees for their time and determination to reach a new agreement regarding scrutiny arrangements, and believe the arrangement provides a balanced approach to parliamentary oversight of our new relationship with the EU.

## **The institutional framework**

**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. (Paragraph 60)**

***RECOMMENDATION 4: 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)***

6. The Government considers that the TCA's institutional framework is functioning well. In total, the TCA's Committees met 42 times during 2021 and 2022, with each meeting at least twice. Both the Foreign Secretary and the European Commission Vice-President Maroš Šefčovič attended the second TCA Partnership Council in London on 24 March.
7. Through these engagements, the UK has scrutinised the compliance of EU and Member State policy measures with the TCA, pushed for the accelerated delivery of the EU's commitments under the TCA, and engaged in technical exchanges on forthcoming regulatory developments. For example, at the Partnership Council in March, the Foreign Secretary and the Vice-President discussed implementation and cooperation in a range of crucial areas including energy, trade and security.
8. The Government also notes that, while important, the Treaty structures are but one element of the UK's engagement with the EU. There is extensive engagement outside the Committee structures at both official and ministerial level on matters of UK interest.
9. The TCA is principally a free trade agreement and trade happens between individuals and businesses. The Treaty is not designed to create a political union and the intensity of contact between UK officials and Ministers with the EU should not be expected to be the same as when we were an EU Member State, nor a measure of the TCA's success.

**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. (Paragraph 61)**

***RECOMMENDATION 5: 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. The Partnership Council is the most senior forum under the TCA, and the agreement states it should meet 'at least once a year'. The Government is open to it meeting

more often where business requires it. At its most recent meeting, the Partnership Council discussed implementation of the TCA and cooperation in a range of areas including energy, regulation and security. In the joint statement following the meeting both parties reaffirmed their desire to fully exploit the potential of the TCA and to maximise the potential of the UK-EU relationship. UK-EU cooperation is not limited to the structures of the TCA – we have seen positive steps taken by both sides outside of the structures of the TCA.

**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)**

**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. (Paragraph 63)**

***RECOMMENDATION 6: 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)***

11. The Government take notes of the Committee's recommendation which speaks to the separate Treaties underpinning our relationship with the EU.

**We consider it important that the UK's devolved administrations are able to contribute effectively to the institutional structures for UK-EU relations. (Paragraph 64)**

***RECOMMENDATION 7: 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)***

12. The Government has committed to convening the Interministerial Group (IMG) ahead of the TCA Partnership Council and the Withdrawal Agreement Joint Committee meetings. Most recently the Minister for Europe has chaired the IMG on UK-EU Relations with Devolved Government (DG) Ministers to discuss draft agendas and the UKG priorities for meetings of the TCA Partnership Council and the WA Joint Committee on 24 March.

13. DGs are also included in the preparations for TCA Specialised Committees (SCs) and are invited to attend SCs as UK delegate observers.

***RECOMMENDATION 8: 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. The Government notes the recommendation of the Committee and agrees on the importance of regular political and diplomatic engagement, including at Prime Ministerial and Cabinet Ministerial level, for the delivery of shared UK-EU priorities.

**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)**

**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. (Paragraph 67)**

***RECOMMENDATION 9: 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)***

15. The Government welcomes the Committee's comments around the Parliamentary Partnership Assembly (PPA) and it looks forward to the third meeting of the PPA in July. The Government agrees that the PPA will continue to play an important role in helping to build a positive and constructive relationship between the UK and the EU over the coming years.
16. The Government provides the UK Domestic Advisory Group (DAG) with a secretariat, venues and other logistical support. There is currently no funding planned for DAG members' travel or accommodation. However, the DAG meetings are all in a hybrid format to allow every member to participate, regardless of location.

## **The European Political Community**

**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. The Government agrees with the Committee that the European Political Community (EPC) has useful potential and that the first meeting was productive. On 1 June, the Prime Minister attended the second meeting of the EPC in Chişinău, Moldova which was a powerful demonstration of pan-European unity in the face of continued Russian aggression.

**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. The Government welcomes the Committee's interest in the UK-hosted EPC summit in 2024. It is an example of our commitment to the security and freedom of the continent.
19. The Government has been working with EPC leaders to promote coherence across the summits, including Spain, who will host in October 2023 and Moldova who hosted in June 2023.

**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)**

20. The Government agrees with the Committee that the EPC is not a substitute for engagement between the UK and EU institutions.

**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)**

21. The Government agrees with the Committee that the EPC's strengths are its informality, diversity and flexibility; this enables it to confront pan-European challenges and focus on practical outcomes over communiqués.

***RECOMMENDATION 10: 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)***

22. The Government agrees that the EPC's work should complement that under-taken by the Council of Europe (CoE), while recognising the distinct characteristics of each forum, including the CoE's focus on human rights, democracy and the rule of law, and its specific institutional delivery mechanisms, for example its 200+ conventions. The Prime Minister attended the CoEs fourth Heads of State Summit in Iceland.

## **Arrangements in Whitehall for handling UK-EU relations**

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)

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)

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)

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)

***RECOMMENDATION 11: 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)***

23. The Government agrees that strong coordination is vital to ensuring coherence in the UK's approach to the EU, and on the importance of early engagement with EU policy developments.
24. As during the period of UK membership, the Ministerial lead is held in the FCDO, and as before there is a strong central function performed jointly by the FCDO and Cabinet Office, working closely with the UK Mission to the EU (UKMis). In practical terms, this is manifested in a joint FCDO-CO secretariat for the fortnightly Europe Senior Officials group which plays the same role as the previous iterations of senior Europe meetings in Whitehall. That meeting is chaired by the National Security Advisor and the deputy chairs are the Director General Europe in the FCDO and our Ambassador to the EU. Ministerial oversight is exercised by the Prime Minister, Foreign Secretary and the National Security Council (Europe).



25. Where issues are below the threshold for coordination at that level, or where they need more agile handling, the same principles apply: coordination by FCDO, Cabinet Office, and UKMis, with other relevant Departments feeding in. This approach has been effective, as evidenced by the successful Windsor Framework negotiation; or in ensuring that the UK takes a consistent approach across the different SCs. The result is that Departments are accountable for their work, but that there is a strong central grip and join-up across dossiers. On all EU issues, UKMis plays a central role, from reporting on upcoming issues, through to advice on how to handle specific negotiations, as well as being fully built into the policy-making process.
26. Finally, the DGs are regularly consulted on EU policy, including in preparations for TCA SCs, and can attend SCs as UK delegate observers. The Minister for Europe chairs the IMG on UK-EU Relations, which meets ahead of all meetings of the TCA Partnership Council and the WA Joint Committee.

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

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)

We welcome the effective cooperation between the UK and EU in the imposition of sanctions against Russia. (Paragraph 118)

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)

***RECOMMENDATION 12: 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)

***RECOMMENDATION 13: 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)

27. Sanctions have been a key area of cooperation between the UK and EU since Putin's invasion of Ukraine. The Government joins the Committee in welcoming the creation of the Enforcement Coordination Mechanism, which will help to tackle shared challenges around enforcement of sanctions. As we increasingly turn our attention to enforcing our sanctions and tackling circumvention, we are continuing to work extremely closely with the EU and other Western partners. Collaboration in this area has included sending joint delegations to third countries to close down routes that Russia may be using to circumvent our sanctions. In recent months we have undertaken joint senior visits to UAE, Kazakhstan, Uzbekistan and Kyrgyzstan alongside the EU and US. We are exploring further such joint engagements with additional countries in the coming weeks.

28. We also continue to work closely with the EU and other partners through the Russian Elites, Proxies and Oligarchs (REPO) Taskforce, in order to coordinate the implementation and enforcement of financial sanctions, as well as through the regular meeting of the trade 'Quad' (with the UK, EU, US and Japan) to discuss the implementation and enforcement of trade measures. We also have quarterly sanctions working group with the EU to promote co-ordination and set forward strategy in addition to further regular, informal engagement between the EU and its

Member States and UK on sanctions, both between capitals, and through our network of sanctions professionals based overseas in key EU and key G7 posts. The Government's view is that these structures are working well, but of course remains open to ways of further improving our coordination of sanctions implementation and enforcement with the EU.

## **UK-EU defence cooperation**

**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)**

**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)**

29. The Government is pleased that the Committee welcomes our decision to join PESCO's Military Mobility project. Russia's invasion of Ukraine has underlined the importance of addressing any impediments to moving military personnel and assets across Europe at pace. Joining the PESCO Military Mobility project will better enable the UK to shape relevant rules and requirements including cross-border military transport procedures.
30. We support efforts to increase cooperation between EU partners and NATO Allies; including by ensuring that bodies such as NATO, the EU and the Joint Expeditionary Force are working to complement each other. As stated by the Minister for Europe when he appeared before the Committee, the Government continues to monitor and evaluate PESCO projects.

**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. (Paragraph 139)**

***RECOMMENDATION 14: 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)***

31. The Government welcomes the efforts of Member States and institutions of the European Union to strengthen Europe's defence industrial and technological base, as well as the acceleration of these efforts in response to Russia's invasion of Ukraine. The UK has been working closely with our European Allies through NATO to strengthen our collective defence industrial capacity to sustain our support for Ukraine and to replenish our own capabilities.
32. The EU's European Defence Fund (EDF) is an important vehicle for co-financing joint defence projects between EU Member States; but its potential to foster innovation and strengthen European nations' contribution to Euro-Atlantic security is limited by the restrictive nature of its third-country participation terms.
33. NATO Allies have consistently called on the EU to ensure the fullest possible participation of non-EU Allies in EU defence initiatives, like the EDF, so that they bolster, rather than stymie, collaboration between European Allies and partners.

34. The Government supports closer NATO-EU cooperation and, on that basis, encourages the EU's Member States to instigate a review of EU defence initiatives' third-country participation terms.

***RECOMMENDATION 15: 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)***

35. As set out in the Integrated Review 2023, the Government will develop new forms of cooperation on issues of shared interest, including on Defence. The UK is not currently pursuing an administrative arrangement with the European Defence Agency.

**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. (Paragraph 141)**

***RECOMMENDATION 16: 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)***

36. The Government welcomes the Committee's view that the EU can play a complementary role in a NATO-led European security environment. We are grateful for the EU's continued commitment to cooperate closely with NATO as set out in its Strategic Compass for Security and Defence, and NATO's own commitment in its Strategic Concept to enhance the NATO-EU strategic partnership, strengthen political consultations and increase cooperation.
37. The Government welcomes the 2023 EU-NATO Joint Declaration, as part of our shared approach to securing the Euro-Atlantic area and to show western unity in opposing Russian aggression. Its full implementation will be important.
38. Unfettered collaboration between EU and non-EU partners, including in developing and procuring defence technologies, is vital for protecting long-term European security. The UK has consistently agreed with the NATO Secretary-General's three conditions for supporting EU defence initiatives that they are: coherent with NATO requirements; develop capabilities that are available to NATO; and open to the fullest participation of non-EU NATO Allies.
39. We continue to be concerned that EU defence capability development and joint procurement initiatives do not allow for meaningful participation by non-EU NATO Allies and encourage the EU's Member States to instigate a review of EU defence initiatives' third-country participation terms.

## **Structured cooperation framework for security and foreign policy**

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)

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)

***RECOMMENDATION 17: 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)***

***RECOMMENDATION 18: 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)***

40. The UK engages regularly with the EU across several areas of strategic importance and mutual interest in foreign policy, as well as across many levels of seniority. This engagement is most notable on Russia-Ukraine, including through sanctions coordination and cooperation on the provision of support and training to Ukraine's armed forces.
41. In May, the FCDO Permanent Under-Secretary (PUS) met the EU External Action Service (EAAS) Secretary-General in Brussels to discuss UK-EU cooperation in foreign policy, development, and defence and security. In accordance with the Windsor Framework Political Declaration, we are working to maximise the potential of the TCA and ensure that we are building a positive and constructive relationship with the EU.
42. The Government is open to participating in EU fora to which it is invited, when this aligns with UK interests as was the case with the previous Foreign Secretary’s attendance at the EU Foreign Affairs Council (FAC) in March 2022. Lord Ahmad recently attended the EU's Indo-Pacific Ministerial Summit (13 May) which followed the Gymnich informal meeting of EU Foreign Ministers.

***RECOMMENDATION 19: 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)***

43. The Government agrees with the Committee on the importance of the UK's bilateral relationships with Member States and European partners. The Integrated Review Refresh set out that the security and prosperity of the Euro-Atlantic will remain our core priority, as well as our commitment to play a role across the full range of challenges facing the region, including but not limited to foreign policy. We have invested considerable resource in reinvigorating our bilateral relationships across Europe, spurred on by the many shared challenges we face, and our bilateral ties with many EU member states are as close now as they have ever been.
  
44. We are investing resource in building a stronger relationship with the EU institutions, and the Government notes the Committee's view that we should work towards similar bilateral structures with the EU as we have with Member States. The FCDO Permanent Under-Secretary visited Brussels in May as part of a regular stocktake to discuss UK-EU foreign policy, development, and defence and security cooperation with his counterpart in the EEAS.

## **Energy security**

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)

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)

***RECOMMENDATION 20: 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)***

***RECOMMENDATION 21: 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)***

45. The Government agrees that close cooperation on energy security between the UK and EU is important as Europe decouples from Russian hydrocarbons. There continues to be regular dialogue on these issues at the highest levels, as well as between the UK and EU's respective Ministries and Transmission System Operators (TSOs). The UK expects that to continue through this winter and beyond.
46. Both the UK and the EU agreed at the SC on Energy (SCE) in September 2022 that continued exchange of information is essential, and that government-level technical discussions should continue on electricity and gas security of supply on a regular basis looking ahead to next winter. The UK recommended that these take place on a monthly basis as part of the framework for cooperation on security of supply set out in TCA Article 315.
47. The UK was invited to an ad hoc meeting of both the EU's Gas and Electricity Coordination Groups in November 2022 and continues to press for more regular technical discussions. The TCA supports and strengthens the UK and EU's respective security of supply. The UK and the EU have repeatedly stressed the need to ensure stable energy supplies while continuing to build energy independence away from Russian fossil fuels.

***RECOMMENDATION 22: 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)***

48. On 18 December 2022, the UK signed a MoU with the North Seas Energy Cooperation (NSEC) which sets out the terms of cooperation between the UK and NSEC, to enable closer cooperation in the development of offshore renewable



energy and interconnection in the North Seas. This is a key forum for dialogue on the practical challenges of developing innovative green technology.

49. We have since agreed a non-exhaustive list of “topics of direct common interest” with the EU Commission and the Netherlands, which is holding the Co-Presidency of NSEC this year. This list includes all the topics covered by the four NSEC work streams: hybrid and joint projects, maritime spatial planning, support framework and finance, and delivering 2050. If an NSEC meeting covers a topic in this list, the UK will formally be invited for those agenda points. This cooperation has resumed, and the UK has been invited to participate in the majority of the agenda items of every NSEC meeting that has subsequently taken place.
50. On 24 April 2023, the UK (along with eight other European governments) signed the Ostend Declarations (at PM and Energy Minister level) which set out a commitment for the nine signatories to jointly develop the North Seas as the ‘Green Power Plant of Europe’, an offshore renewable energy system with a particular focus on hybrid and multi-purpose projects. The Declarations highlight the UK’s commitment to developing multi-purpose interconnectors (MPIs) with international partners and sends a strong political signal to developers. At the summit, Dutch Energy Minister Jetten and Secretary of State Grant Shapps jointly announced plans for a first-of-its-kind electricity link “LionLink” to connect offshore wind between the Netherlands and the United Kingdom. LionLink is a proposed multi-purpose interconnector (MPI) connecting Leiston, England, and the Netherlands. It is designed to transmit up to 1.8 GW of electricity.
51. The Government is also regularly engaging formally and informally with our European partners on a bilateral basis to facilitate the development and delivery of MPI projects. On 23 February 2022, we signed a Memorandum of Understanding (MoU) with Belgium on cooperation towards decarbonisation and future electricity interconnection. As part of this agreement, we agreed to cooperate with Belgium to facilitate the development of an MPI, Nautilus, between our countries. On 24 April 2023, we signed a MoU with Denmark formalising our existing cooperation with an increased focus on renewables, including MPIs, green hydrogen and energy islands.
52. We are also continuing to engage closely with the European Commission to deliver efficient electricity trading arrangements as set out in the TCA, to ensure we get maximum value from this new infrastructure and our existing fleet of Interconnectors.

## **Implementation of the TCA's energy title (Title VIII)**

***RECOMMENDATION 23: 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)***

53. The Government notes the Committee's recommendation around concluding an agreement to deliver on the energy trading provisions in the TCA. The UK is committed to implementing the TCA's Energy Title in full, including developing and implementing more efficient electricity trading arrangements over the interconnectors, and we have been consistently pressing the EU to progress this more quickly. Analysis shows such arrangements can deliver greater energy security, reduce energy bills and lower carbon emissions for both the UK and EU.
54. Both parties reaffirmed their commitment to this work in the UK-EU Partnership Council meeting in March 2023.
55. On 7 February 2023, the SC on Energy adopted a Recommendation requesting the UK and EU and their respective Transmission System Operators carry out further analysis on the design options for the new trading arrangements within five months. The Government expects this analysis to enable the SC on Energy to discharge its obligations in TCA Articles 312 and 317 as soon as is practicable.

**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)**

***RECOMMENDATION 24: 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)***

56. The Government is pleased that the UK will participate again in the NSEC, where we are driving regional action and approaches critical to expanding the deployment of clean, innovative energy in the North Seas.
57. The UK negotiated intensively with the European Commission to secure a framework for extensive cooperation with North Seas neighbours in the UK-EU Trade and Cooperation Agreement (TCA), recognising that full membership of NSEC was not possible as the UK had left the EU's Internal Energy Market. The MoU between the UK and NSEC participants gives effect to the cooperative framework agreed in the TCA. While the UK is therefore not seeking to be a full member of NSEC, we have already agreed the list of topics of common interest that we will be engaged with under the terms of the UK NSEC MoU and will keep under review whether the level of cooperation we have is sufficient.

***RECOMMENDATION 25: 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)***

58. The Government's current priority is ensuring full implementation of the existing provisions in the TCA. We are working closely with the EU to ensure cooperation mechanisms, such as the NESC MoU, are established and equipped to deliver, and the rest of the of the energy provisions are implemented in full.

59. The agreement on energy is beneficial to both the UK and the EU in helping to support our security of supply, make energy more affordable for consumers, and achieve our respective climate change ambitions.

## **Emissions trading schemes**

***RECOMMENDATION 26: We recommend that the UK approach the EU to explore the feasibility of linking their respective Emissions Trading Schemes. (Paragraph 222)***

**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. (Paragraph 222)**

**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)**

60. The Government partially agrees with the Committee's recommendation regarding the UK and EU Emissions Trading Schemes (ETS). Although no decision on linking has been made, we remain open to cooperating with the EU on carbon pricing, and to considering linking our respective systems as set out in the TCA.

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

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)

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)

***RECOMMENDATION 27: 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)***

61. The Government is committed to working with partners to find international solutions to carbon leakage. The UK has ambitious carbon pricing through our ETS and Carbon Price Support mechanism. We expect the EU Carbon Border Adjustment Mechanism (CBAM) to take account of this in its implementation.
62. No decisions have yet been made on a potential UK CBAM, and the current consultation does not commit the Government to adopt any specific policy. Although no decision on linking has been made, as stated in paragraph 60, we remain open to cooperating with the EU on carbon pricing, and to consider linking our respective systems. We are determined to continue to promote carbon pricing globally, and the UK is a strong supporter of Canada's Global Carbon Pricing Challenge, which encourages countries to adopt and strengthen their carbon pricing systems, with the goal of covering 60% of global emissions with a carbon price by 2030.
63. The Government has raised questions about the impact of the EU's CBAM on the UK under the TCA SC on Goods in 2021 and 2022. The UK has also been appointed an observer of the EU's informal expert group on the analytical methods for the monitoring, reporting, quantification and verification of embedded emissions in goods under the scope of the CBAM, which will address outstanding technical questions. We will continue to monitor the EU's CBAM.

## **Business and professional mobility**

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. (Paragraph 264)

***RECOMMENDATION 28: 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)***

64. Since leaving the EU, the Government has refocused the immigration system towards securing the skilled labour businesses need to stay competitive and innovative.
65. We keep our immigration policies under review to ensure that it prioritises the skills and talent that the UK needs whilst promoting investment in resident workers.
66. Where the Government has concerns about outward mobility arrangements with the EU and individual Member States, we will continue to raise them through technical and diplomatic engagement, and, where appropriate, at the Trade Specialised Committee on Services, Investment and Digital Trade. For example, the UK and EU have used this Committee to update one another on implementation of the transparency commitment in Article 145 of the TCA on mobility guidance. At the second meeting of the UK-EU Partnership Council on 24 March 2023, the UK raised the issue of UK touring artists and thanked the TCA Parliamentary Partnership Assembly for their discussion of this issue. The UK emphasised that it was keen to protect the broader contribution that touring creatives brought to the UK and EU.

**The evidence that we have considered suggests that the complexity of the post-Brexit rules is a significant barrier to mobility. (Paragraph 265)**

***RECOMMENDATION 29: 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)***

67. The Government has published “*Travel to Europe for Work*<sup>1</sup>” guidance on GOV.UK following feedback received from businesses across a wide range of sectors.
68. The Government notes the Committee’s recommendation to make the existing guidance more straightforward to navigate and interpret. During the development of its guidance, the Government worked with business focus groups, covering a range

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<sup>1</sup> <https://www.gov.uk/government/collections/travelling-to-the-eu-switzerland-norway-iceland-or-liechtenstein-for-work>

of sectors, to gather feedback on the content and structure of the guidance which ensured the information would be both useable and useful. Our assessment is that the approach and level of detail are appropriate.

69. The Government acknowledges the need to keep this information on GOV.UK up-to-date and conducts regular reviews to do so in line with changes in Member State legislation. The guidance was last updated in April 2023<sup>2</sup>.
70. While the Government has provided this “Travel to Europe for Work” guidance, it cannot be a substitute for business travellers checking the relevant Member State website or seeking legal advice for more detailed analysis of relevant immigration or business mobility routes.
71. The Government recognises that businesses continue to encounter difficulties in understanding the immigration rules and practices of EU Member States due to their inherent complexity. We continue to work with the EU Commission and Member States to ensure the information they provide is as accurate as possible and that their guidance is clear and accessible. For example, the Government raised the issue of mobility guidance at all meetings of the Trade SC on Services, Investment and Digital Trade.

**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. (Paragraph 266)**

***RECOMMENDATION 30: 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)***

**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)**

**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)**

72. The Government recognises the importance of the UK’s creative and cultural industries, not only to the economy and international reputation of the UK, but also to the wellbeing and enrichment of its people. This includes UK musicians and performers, whom we are committed to supporting as they adapt to new requirements when touring in the EU. The UK took an ambitious approach during

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<sup>2</sup> As of May 2023.

negotiations that would have addressed many of the issues artists now face. Regrettably, our proposals were rejected by the EU.

73. Since the UK left the EU, the Government has engaged at pace bilaterally with EU Member States on their entry requirements for touring artists. Through this engagement, the Government has been able to confirm that UK musicians and performers do not need visas or work permits for some short-term touring in the vast majority of Member States. This includes Spain, one of the UK's biggest touring markets, which introduced 90-day visa and work permit free touring in November 2021 following engagement by the UK Government and the sector. We are engaging the four Member States that do not provide any visa or work permit free routes and continuing to engage Member States that provide less liberal access than ourselves. However, ultimately it is up to these countries to match the UK's generous rules.
74. The Government notes the Committee's recommendation to raise the issues faced by creative professionals with the EU. The Government has raised these challenges with the EU through the TCA Governance structure on a number of occasions, including at a ministerial level through the Partnership Council in June 2021 and March 2023. In addition to this, the Government has also previously raised the mobility challenges faced by touring artists and cabotage issues faced by specialist hauliers at the Services, Investment and Digital Trade SC and Road Transport SC respectively.



## **School visits**

**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)**

**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. (Paragraph 284)**

***RECOMMENDATION 31: 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)***

75. At the UK-France summit, the UK and France agreed, among a number of initiatives, to put an emphasis on developing people-to-people initiatives, and encouraging bilateral mobility, culture and exchanges, within the framework of the UK-EU relationship. In this context, the UK and France agreed to establish a Mobility Dialogue to address bilateral mobility issues; and on school groups, the UK committed to ease the travel of school groups to the UK by making changes to documentary requirements for schoolchildren on organised trips from France.

76. Work is now underway to operationalise these arrangements. France committed to ensuring appropriate mechanisms are in place for visa free travel for children travelling on organised school trips from the UK and to facilitating the passage of those groups through the border. Changes to UK legislation will be necessary to deliver these commitments. Further details will be announced in due course; and following further engagement with the French authorities as part of the new mobility dialogue.

77. We recognise the importance of cultural and educational exchanges between the UK and other nations and would note that the UK's offer to visitors is among the most generous in the world.

***RECOMMENDATION 32: 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)***

***RECOMMENDATION 33: 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)***

78. As set out above, the UK recognises the importance of cultural and educational exchanges between UK and other nations.

79. UK policy is to accept collective passports issued by signatories to the 1961 Council of Europe Treaty which underpins their use. However, it is our intention to move to a position where everyone obtains an individual permission form from the Home Office in advance of travel to the UK, and so in the future, we are likely to require individual documents.
80. Alongside knowing more about travellers in advance of their arrival, it is our ambition to increase the use of automation, such as electronic passport gates (e-Gates), at the UK border. The e-Gates are already available at many of our ports of entry and provide for a smoother experience for passengers entering the UK. They are also the most secure and efficient method of crossing the border and increased automation will have the added benefit of helping to maintain border fluidity.
81. The EU is similarly introducing its EES and ETIAS systems which may not be compatible with the continued use of collective travel documents, and it should be noted that several EU countries have already declared they no longer accept a collective passport issued by the UK.

***RECOMMENDATION 34: 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)***

82. The Government takes note of the Committee's recommendations on reciprocal mobility. However, we are not exploring the possibility of including inward funding for school group mobility within the Turing Scheme.
83. We continue to believe that it is right that the Turing Scheme prioritises outward mobility for students, learners and pupils at UK education institutions to study and work abroad. We are proud to have allocated funding for around 10,000 school pupils across both years of the Turing Scheme so far to access international experiences all over the globe. It has always been the case that other countries and their students make their own arrangements to finance school visits to the UK.

## **Higher education**

**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)**

**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. (Paragraph 315)**

***RECOMMENDATION 35: We therefore recommend that the Government should work to ensure that barriers to enrolment such as challenges in obtaining visas are minimised. (Paragraph 315)***

84. International students make a significant economic and cultural contribution to the UK's higher education sector. They enrich the university experience for all students, including those from the UK themselves. They bring greater diversity to university and college campuses adding an international dimension. For both international and domestic students, this cultural exchange helps build life-long friendships, future networks, and important business, political and diplomatic bridges.
85. The UK has a Global Points Based System meaning visa routes, fees, immigration health surcharges and processing times are standardised globally. We believe that our fee levels allow us to continue to attract the brightest and best to the UK whilst enabling the Home Office to work towards a sustainable migration and borders system.
86. Our visa fees are competitive and offer good value, particularly when considering the benefits and entitlements of a successful application.
87. The number of visas issued across work and study routes is now exceeding pre-pandemic levels, demonstrating the points-based system is attracting worldwide talent and skills – including from EU Member States. We fully anticipate that the UK will continue to be an attractive destination for EU students and for students from across the globe.

**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)**

**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)**

***RECOMMENDATION 36: 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)***

88. We welcome the Committee's acknowledge of the strengths of the Turing Scheme. However, we are not exploring the possibility of adding a reciprocal element to the Turing Scheme with the higher education sector. We believe it is one of the strengths of the Turing Scheme that it uses taxpayer money to prioritise opportunities for students, learners and pupils at UK education institutions to study and work abroad over inbound opportunities to the UK for students from other countries. Over the two years of the scheme so far, this amounts to over £129 million in funding for over 52,000 Higher Education placements, of which 49% were planned for students from disadvantaged backgrounds.
89. We have seen a strong appetite for placements to the EU and across the globe, which indicates that funding for reciprocal inbound mobility is not necessary for higher education institutions in the UK and the EU to form exchange partnerships. We will of course continue to listen to feedback on Turing as we monitor the performance of the scheme.
90. As for Erasmus+, the UK took the decision not to participate in the 2021-2027 Erasmus+ programme during negotiations on the TCA in 2020. This was because with the Erasmus+ budget set to significantly increase, the only terms on offer for continued participation would have required the UK to pay approximately £2 billion more than we received over the course of the seven-year programme. This did not represent value for money and was not in the interests of the UK taxpayer. The Government therefore does not intend to negotiate resuming participation in any aspect of Erasmus+ with the EU as a Programme Country, though of course, Erasmus+ funding is also available for EU students to undertake higher education placements in the UK as a state with Partner Country status.

***RECOMMENDATION 37: 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)***

91. The Government notes the Committee's ongoing interest in this issue. Our priority is to ensure that the UK's R&D sector gets the maximum level of support to allow them to continue their ground-breaking research and collaborate with international partners.
92. We are in discussions with the EU on the UK's involvement in EU research programmes. While we hope negotiations on Horizon Europe will be successful, and that is our preference, our participation must be fair for UK researchers, businesses and taxpayers and reflect the lasting impact of the delays to UK association on the UK sectors' ability to participate successfully in the programmes going forwards; it is not as simple as taking two years off the bill. We have set out plans for our bold, ambitious alternative to Horizon Europe, Pioneer, which we will implement if we are not able to secure association on fair and appropriate terms.

## **The case for a UK-EU youth mobility partnership**

Post-Brexit changes to arrangements for mobility between the UK and the EU have had a particularly significant impact on younger people. (Paragraph 333)

***RECOMMENDATION 38: 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)***

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. (Paragraph 334)

***RECOMMENDATION 39: We therefore recommend that as a first step the Government explores this possibility with the EU. (Paragraph 334)***

***RECOMMENDATION 40: 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)***

93. Mobility is an important part of our relationship with the EU, ensuring our citizens can travel, visit, study, work and take part in cultural activities. In recognition of the economic and cultural value of youth mobility, the Government is interested in exploring bilateral opportunities for reciprocal youth mobility schemes with international partners, including our European neighbours. The extent of EU competence is a matter for the European Union and its Member States.