



Rt Hon James Cleverly MP
Secretary of State for Foreign, Commonwealth and Development Affairs
Foreign, Commonwealth and Development Office
King Charles Street
London
SW1A 2AH

12 July 2023

Dear Foreign Secretary,

Government response to European Affairs Committee report: *The Future UK-EU relationship* (4th Report, Session 2022-23, HL Paper 184)

I am writing to you regarding the Government's response to the European Affairs Committee's report, *The future UK-EU relationship*. The report was published on 29 April 2023; the response was received on 28 June 2023 and it was considered by the Committee at its meeting on 11 July 2023.

The Committee welcomes the Government's overall positive approach towards developing a more cooperative relationship with the EU. In particular, we are pleased at the statement that the UK and the 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 UK and the EU in ways that benefit both parties". This is consistent with our own approach to UK-EU relations.

However, we are disappointed at the Government's response to some of our individual recommendations. The Committee has therefore decided to write to you, posing questions about some aspects of the response.

Introduction

In paragraph 10 of our report we stated that we stand by key recommendations from our previous 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 are disappointed that the Government did not respond to this paragraph and ask you to do so in response to this letter.**

The political, diplomatic and institutional relationship

We are pleased that UK-EU cooperation has progressed in some policy areas since the agreement on the Windsor Framework was reached, including the recent conclusion of the Memorandum of Understanding on financial services cooperation and reports of progress towards an agreement on UK association to Horizon Europe. We welcome the Government's reference in its response to forthcoming dialogues under the TCA in the areas in cybersecurity and counterterrorism. **We ask you to provide us with further detail about the anticipated scope and timetable for these dialogues**

We are disappointed by the Government's response to the recommendations in paragraphs 60-62 of our report, which propose that there should be an increase in the intensity of activity within the TCA institutional structures, and greater ministerial involvement, compared to 2021-22. We

acknowledge that the Treaty structures are “but one element of the UK’s engagement with the EU” but reiterate our view that increased activity in these forums, where detailed decisions can be prepared, is essential to achieving the substantive improvements to the relationship that we would like to see. For the avoidance of doubt, we do not propose the same intensity of contact with the EU as when the UK was a Member State. **We ask you to confirm whether you agree that the institutional structures should now meet more frequently than in 2021-22, and whether you anticipate that this will be the case.**

We welcome the commitment to convene the Interministerial Group on UK-EU Relations in advance of each meeting of the Joint Committee and Partnership Council. However, we note that there is a lack of transparency about this forum, with no record of its meetings on the Government’s Intergovernmental Relations web page, which provides information about the meetings of other Interministerial Groups. **We ask you to provide us with more information about the Interministerial Group on UK-EU Relations, including how many meetings have taken place so far and the topics that were discussed at the meeting on 20 March 2023.**

The foreign policy, defence and security relationship

We acknowledge the detail that the Government has provided in its response about cooperation between the UK, the EU and other partners on implementation and enforcement of sanctions since Russia’s invasion of Ukraine. However, the response does not directly engage with the recommendation, in paragraph 119 of our report, that the UK and the EU should agree a Memorandum of Understanding around implementation and enforcement of sanctions, similar to the enhanced sanctions partnership agreement between the Government and the US Treasury. **We ask you to respond more directly to this recommendation.**

We note with interest the Government’s assessment of the implications of the European Defence Fund for the UK, including that “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”, and that the Government “encourages the EU’s Member States to instigate a review of EU defence initiatives’ third-country participation terms”. **We ask you to provide us with more detail about how the Government would like third-country participation terms for EU defence initiatives to be reformed and whether this matter has been raised with the EU and/or Member States.**

We are disappointed by the Government’s response to our recommendation, in paragraph 140 of our report, which proposed that the UK should seek an administrative relationship with the European Defence Agency, similar to those agreed with other third countries, including the US, Norway, Switzerland, Serbia and Ukraine. **We ask you to elaborate on why an administrative relationship is not currently being pursued by the Government.**

With regard to wider cooperation between the UK and the EU on foreign policy and security, we acknowledge the Government’s statement that it “engages regularly with the EU across several areas of strategic importance and mutual interest in foreign policy”. We note that the response states that “engagement is most notable on Russia-Ukraine”. The Committee considers that the UK and the EU should be engaging closely in response to a wide range of current and emerging foreign policy issues, not just the response to the Russian invasion of Ukraine. **We therefore ask you to provide us with more detail about the current state of UK-EU engagement on foreign policy issues other than Ukraine.**

We are disappointed that the Government has not engaged directly with our proposal to approach the EU with the aim of establishing appropriate structured cooperation arrangements for cooperation on external affairs, as agreed in principle in the UK-EU Political Declaration of 2019. **We ask you to provide us with the Government's view on this recommendation.**

Energy security and climate change

We are disappointed by the brevity of the Government's response to the recommendation, in paragraph 222 of our report, that the UK should approach the EU to explore the feasibility of linking the respective UK and EU Emissions Trading Schemes. The evidence that we received during the inquiry suggested that this would be of significant mutual benefit. We note that the response says that the Government "partially agrees" with the Committee's recommendation but does not indicate which part it agrees with and which part it disagrees with. **We ask you to provide a more detailed response to this recommendation, including which part(s) the Government agrees with and which it disagrees with.**

With regard to the implications for the UK of the EU's proposal for a Carbon Border Adjustment Mechanism (CBAM), we note with interest the statement in the Government response that "[w]e expect the EU Carbon Border Adjustment Mechanism (CBAM) to take account" of the UK's "ambitious carbon pricing" in its implementation. The evidence that the Committee considered during its inquiry suggested that the UK would not be exempted from the CBAM unless it linked its Emissions Trading Scheme with the EU scheme and that, although the UK's carbon pricing regime may mean that UK importers to the EU would not be required to pay CBAM charges, the policy may nevertheless place a substantial administrative burden on affected businesses. **We therefore ask for clarification on whether the EU has indicated to the Government that it will take account of the UK carbon pricing regime when it implements its CBAM. We also ask for an update on the timetable for reaching a decision on the UK's own measures to combat 'carbon leakage', in light of the progress towards implementation of the EU CBAM.**

Mobility of people

In paragraph 264 of our report we recommended that the Government should be prepared to adjust visa eligibility criteria in response to labour shortages in specific sectors and asked the Government to describe how it is managing this in its response. The Government's response to this recommendation was disappointingly brief and did not engage with our proposal. **We therefore ask you to respond fully to our request for information about how the Government is adjusting visa eligibility criteria to respond to labour shortages in specific sectors.**

We acknowledge the update that the Government has provided on engagement with the EU and individual Member States about movement of creative professionals between the UK and the EU. However, we remain disappointed by the current situation and the lack of recent progress in addressing barriers to mobility. The Committee continues to take a close interest in this subject.

We note the statement that "work is now underway" to operationalise the reciprocal commitments to facilitate school visits that were included in the Joint Leaders' Declaration issued following the Anglo-French summit on 10 March 2023. However, four months after the summit took place, we are concerned by the ongoing lack of clarity on the precise nature of Government's plans to deliver on these commitments and the slow pace of progress, which has meant that the

opportunity to implement changes in time for the 2023 season for school visits has now passed. **We ask you to provide us with a more precise timetable for the implementation of these commitments. We also ask you to elaborate further on the comment made by a Minister in the House of Lords on 19 June 2023 that it is “open to other Governments to negotiate an arrangement of the kind we have now negotiated with the French Government, and we would welcome such a step”, and to update us on whether any such negotiations are taking place with EU Member States.**

On the wider issue of school visits between the UK and the EU, we are disappointed at the Government’s response to our recommendation, in paragraph 285 of our report, that the Government should reintroduce a group travel scheme that would not require pupils travelling on school visits from any EU country to carry individual passports. The evidence that we considered suggested that the requirement to carry individual passports was serving as a major barrier to inbound school visits from the EU. In outlining the Government’s policy on moving towards individual passports, the response does not engage with the specific implications for school visits, which our recommendation was focused on. **We therefore ask you to provide us with the Government’s assessment of the implications of requiring individual passports for school travel from the EU to the UK.**

We are disappointed that the Government is not exploring the possibility of adding a reciprocal element to the Turing scheme that would provide funding for inbound as well as outbound placements. We reiterate our view that visiting students from the EU bring considerable benefits to UK universities. We note that when the Minister for Europe gave evidence to our inquiry he said that the Government was “open-minded” and “look with great interest at the extent to which we might operate a similar scheme” to the reciprocal Taith scheme introduced by the Welsh Government. In the light of the Minister for Europe’s statement in evidence to the Committee, it was disappointing that the response states that the Government “are not exploring adding a reciprocal element to the Turing scheme”. **We ask you for an explanation of this discrepancy, and the reasons why the Government is not prepared to consider an element of reciprocity.**

Finally, we are disappointed by the brevity of the response to the recommendation, in paragraphs 333-335 of our report, that the UK should approach the EU about the possibility of entering negotiations around a reciprocal youth mobility partnership. **We ask you to provide a fuller response to this proposal, including whether any discussions have been held with the EU and/or individual Member States about youth mobility schemes and the progress of any such discussions.**

I am copying this letter to Leo Docherty MP, Minister for Europe; Sir William Cash MP and Dr George Wilson, respectively Chair and Clerk of the European Scrutiny Committee in the House of Commons; and Sam White, Departmental Scrutiny Coordinator, Foreign, Commonwealth and Development Office.

We ask you to respond by 25 July 2023.

Yours sincerely,

A handwritten signature in black ink, reading "Peter Ricketts". The signature is written in a cursive style, with the first name "Peter" and the last name "Ricketts" clearly legible.

Lord Ricketts

Chair of the European Affairs Committee