



Foreign, Commonwealth
& Development Office

Leo Docherty MP
Minister for Europe
King Charles Street
London
SW1A 2AH

Tel: 0207 008 5000

Email: fcdo.correspondence@fcdo.gov.uk

www.gov.uk/fcdo

The Lord Ricketts GCMG GCVO
Chair, European Affairs Committee
House of Lords
London
SW1A 0PA

5 February 2024

Dear Peter,

Commission's Annual Work Programme 2024

I am writing in response to your letter of 24 January regarding the Commission's Annual Work Programme (CWP) for 2024, and the FCDO's Explanatory Memorandum (EM) published on 15 November 2023.

I am pleased that you continue to find these CWP EMs valuable. We continue to value your Committee's engagement. We also note that your report on the implications of Russia's invasion of Ukraine for UK-EU relations was published on 31 January. We will respond to that report in due course through the usual processes.

I should note that overall responsibility for many of the areas you mention sits, or is shared with, other Government Departments, but we have endeavoured to provide the fullest answers possible working with colleagues across Government.

Climate change

You asked for an update on the Government's discussions with the EU on the Carbon Border Adjustment Mechanism (CBAM) and the Emissions Trading Scheme (ETS).

The first and best solution to carbon leakage risk would be international coordination on decarbonisation and carbon pricing and we are taking active steps to work with our international partners, including the EU, on global carbon pricing and carbon leakage mitigations. This includes working with the EU through forums such as the Climate Club, launched at COP28, which seeks to increase ambition in the field of industrial decarbonisation.

The UK has been an observer on the EU expert group that provides advice and guidance on the implementation of the EU CBAM, and we will continue to engage with the EU on implementation at a technical level. The UK and EU also discussed the EU's CBAM at the TCA Trade Specialised Committee on Goods in November, as well as the Trade Partnership Committee in December. At these meetings we also updated the EU on the UK's consultation on carbon leakage, although we were not at that stage able to talk about the outcome as the meetings took place prior to this being published.

The Government recognises the importance of international co-operation on carbon pricing. As we transition to net zero, it is important that we work across international borders to drive climate ambition, maintain competitiveness, and minimise the risk of carbon leakage. Under the terms of the TCA, the UK Government and EU agreed to consider linking our respective carbon pricing schemes and to cooperate on carbon pricing. We are open to the possibility of linking the UK ETS internationally and will continue to work with other jurisdictions to tackle shared challenges and learn from the experience of others as we develop the UK ETS. The UK and EU discussed our respective Emissions Trading Schemes at the Trade Specialised Committee on the Level Playing Field in October, as well as the Trade Partnership Committee.

I am confident we will continue to have further discussions throughout the course of this year, including on the UK CBAM now that it has been announced.

Digital markets

You asked for further information on the EU's AI Act and our discussions with the EU in the relevant Specialised Committee.

A compromise version of the AI Act is currently going through the final stages of the legislative process. It will impact UK firms insofar as they will need to consider the provisions of the legislation while exporting AI products to the EU. We will monitor this as the Act is adopted and implemented and raise any issues which arise.

At the last Specialised Committee on Services, Investment and Digital Trade on 9 October 2023, UK and EU officials discussed approaches to AI regulation in both jurisdictions, collaboration in international fora and the UK's AI Safety Summit. The Government will continue to engage with the EU on AI policy.

Economy, trade and competitiveness

You raised critical minerals in your letter. UK-EU cooperation on critical minerals is key to supporting our mutual economic resilience and incentivising responsible, diversified supply chains. We work closely with the EU on economic security and critical mineral supply chains through multilateral fora such as the Minerals Security Partnership, International Energy Agency and G7.

In October 2023, the UK and EU discussed our respective supply chain initiatives and their close alignment, including the UK's Critical Minerals Strategy and the EU's Critical Raw Materials Act. This was at the third meeting of the UK-EU Trade Specialised Committee on Goods under the TCA. This was also touched on at the Trade Partnership Committee meeting in December 2023.

Our exchanges confirmed that we agree that activities across the critical mineral supply chain should be carried out to the highest standards of environmental, social, and corporate governance (ESG) possible. We agreed that our international engagement efforts should always include discussion of how to collectively promote a greater focus on sustainability so we can avoid undesirable practices that harm the environment and society whilst also decreasing long-term risks to businesses. Both the UK and EU are also clear that the extraction of critical minerals should work for the benefit of all, including countries that extract and produce the minerals. We are united in our calls for greater transparency and engagement on supply chain measures. Furthermore, I am of course aware that Lord Jay and Greg Hands are in correspondence about other potential impacts of the EU's Critical Raw Materials Act.

Regarding the proposed Critical Raw Materials Club, the UK has not yet taken a decision on participation. However, we do support the objectives of the Club to develop principles to bring together consumer and producer countries, and foster cooperation to allow resource-rich developing countries to move up the value chain. It is important that the Club is complementary to existing multilateral initiatives.

With respect to the upcoming reports by Mario Draghi and Enrico Letta, I would like to reassure you that we are following their progress and will be happy to consider your request to submit an Explanatory Memorandum upon the publication of each report, when the nature and content of each is clearer.

You also asked about the EU's trade and technology cooperation with the US. The UK remains committed to working closely with both partners to further our shared technology objectives. I would highlight that neither the US nor India have a comprehensive trade agreement with the EU as we do.

Justice and Home Affairs

You raised illegal migration and people smuggling, referring to our previous correspondence. The UK works closely with a range of European partners, including the EU, to tackle illegal migration. Ministers and officials undertake regular engagement on joint priorities, as is demonstrated by the EPC side meeting co-chaired by the Prime Minister and PM Meloni attended by President von der Leyen where they, alongside France, The Netherlands and Albania, agreed coordinated action to tackle the shared challenge of illegal migration. We also engage through other fora such as the Calais Group, which is due to meet shortly.

The UK and EU have close alignment across several key areas, including the fight against people smuggling. In November, the EU hosted an International Conference on a Global Alliance to Counter Migrant Smuggling. Like many of our partners, the UK was represented by a delegation at senior official level. At the conference, the EU called for a 'Global Alliance' to tackle migrant smuggling and announced new legislative proposals on tackling the facilitation of illegal migration. We welcomed this announcement and noted that we hope to see it adopted as soon as possible. We will continue engagement across all available channels, and through forums such as the Calais Group, which is due to meet shortly.

Good progress continues to be made on the UK-Frontex Working Arrangement, and we hope to conclude it as soon as possible to allow us to begin cooperation. We will provide a further update to Parliament accordingly, and an Explanatory Memorandum will be shared with the relevant committees.

You asked about the EU's Migration and Asylum Pact. As you know, in December, the EU announced that it has reached political agreement on the central elements of its migration and asylum reforms – this is a welcome development including because a strengthened EU border is also in our interest. The Migration and Asylum Pact is though of course for the EU itself, and proposals will need to be formally adopted by the European Parliament and Council in due course.

Finally, you asked about our efforts to further UK-EU cooperation on civil justice. The Government continues to seek options for strengthened civil judicial cooperation with the EU. In January this year, we signed the Hague 2019 Convention on recognition and enforcement of foreign judgements, and we are now moving at pace to implement and ratify the Convention. The Convention will come into force for the UK 12 months after we deposit our Instrument of Ratification. Once in force, Hague 2019 will improve legal certainty for UK citizens and businesses and those of other contracting states, including the EU and Ukraine, involved in cross-border litigation, and support international trade, investment, and cross border mobility.

We continue to believe that UK membership of the Lugano Convention is a sensible, pragmatic basis for continued civil judicial cooperation with the EU and other partners, and that addressing the remaining gaps in the framework for this cooperation will be of mutual interest to ordinary UK and EU citizens, families and businesses, who live and work across borders. The UK's Lugano application remains pending, and the government makes the case for UK membership to EU counterparts as opportunities arise.

I trust that those clarifications are useful, and I would like to repeat the standing offer of technical briefings from my officials for further clarification on any of the matters you raise, including on migration issues, if necessary. I look forward to my continued engagement with you and your Committee.

Yours ever,

A handwritten signature in blue ink, appearing to read 'Leo Docherty', with a stylized flourish at the end.

Leo Docherty MP
Minister for Europe