



Subject:	New Structures Established as part of UK Withdrawal and Next Phase of Negotiations
Date:	21.3.19
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
	At a workshop in February focused on medium term scenario planning, the Brexit Committee agreed to consider a short paper to enable it to take account of the potential implications of the next phase of negotiations between the UK government and the EU. This paper outlines key relevant aspects of the so-called 'Political Declaration', gives further information on key milestones in a future negotiation and makes some recommendations for actions by the Brexit Committee.
2.0	Recommendations
	It is proposed that: <ul style="list-style-type: none">- Early engagement is made, through the Brexit Committee Chair and the Chief Executive with The Executive Office to understand how the new

	<p>institutional arrangements (i.e. the Joint Committee of the UK and EU) will operate, and in particular how the 'Joint Consultative Working Group on Northern Ireland' will operate.</p> <ul style="list-style-type: none"> - That the Brexit Committee sets out its priorities for engagement with future institutional structures, and importantly, the issues Belfast City Council would seek to secure in a future relationship agreement between the UK and the EU. The Brexit Committee should set aside time in April and May to consider these priorities.
3.0	Main report
	<p><u>Key Issues</u></p> <p>At the time of writing, parliamentary passage of the Withdrawal Agreement Bill is by no means certain. However, assuming it is passed through parliament, and the UK leaves the EU (either on the 29th March or with a technical extension), then the UK will commence the next stage of formal negotiations to exit the EU.</p> <p>The starting point for negotiations is the 'Political Declaration on the Framework for UK-EU Negotiations', which was endorsed by EU leaders on the 25th November 2018. It is important to note that the Political Declaration (PD) is not a binding legal document and it is unlikely that it will bind the parties to anything beyond a commitment to negotiate for a future relationship in good faith.</p> <ol style="list-style-type: none"> 1. Part One sets out the basis of cooperation between the UK and EU <ul style="list-style-type: none"> - 'based on the shared EU and UK values and principles such as respect for human rights, democracy, the rule of law, working together globally, and the non-proliferation of nuclear weapons'. - It includes the UK's commitment to respect "the framework" of the European Convention on Human Rights - It includes a mutual commitment to "ensuring a high level of personal data protection" to facilitate data flows, and an EU intention to start work on adequacy decisions on the UK's data framework "as soon as possible" after Brexit, "endeavouring" to adopt decisions by the end of 2020 - It includes an intention that the UK will seek and the EU will grant, where legally possible and with a UK financial contribution, UK participation in EU programmes in areas such as science and innovation, youth, culture and education, overseas development, external action, defence capabilities, civil protection and space 2. Part Two sets out the terms of a future economic partnership <ul style="list-style-type: none"> • It calls on the UK and EU to agree an ambitious, wide-ranging future economic partnership

- The future relationship will encompass a free trade area and cooperation in particular sectors where this is in the parties' mutual interest.
 - The economic partnership will cover trade in goods, trade in services and investment, and a number of sectors including financial services, digital, transport, energy and fishing. There are also sections on movement of people and on procurement.
 - On trade in goods: The PD refers to a trading relationship which is "as close as possible". The economic partnership should maintain the current situation of no tariffs or quotas on trade in goods between the UK and EU. Customs arrangements should "build and improve on" the single customs territory set out in the Withdrawal Agreement. At the same time, the PD refers to the UK having an independent trade policy.
 - On Trade in Services the PD leaves the settlement of trade in services and investment open for future EU-UK negotiations.
 - It builds on the premise that the UK leaves the single market for services and pursues regulatory autonomy.
 - On services and investment, the UK and the EU have an ambition to go well beyond the current commitments under the World Trade Organization (WTO) and existing free trade agreements (FTAs)
 - The PD recognises the interdependence of financial services across boundaries and the common interest in honest and sound markets and fair competition within them. To that end it highlights the need for continuing close cooperation between different regulators and regimes.
 - The future basis of cooperation will be 'equivalence' which is different, and less extensive, than the current system of passported services.
3. Part Three deals with Security Partnership
- The future relationship will cover arrangements across three areas: (1) data exchange; (2) operational cooperation between law enforcement authorities and (3) judicial cooperation in criminal matters; and anti-money laundering and counter terrorism financing.
 - There will be arrangements for exchanges of Passenger Name Record (PNR) data, DNA, fingerprints and vehicle registration data (Prüm) and extradition arrangements; data-sharing arrangements for wanted and missing persons, exchange of criminal records and cooperation between the UK and Europol and Eurojust.
4. Part Four deals with institutional Arrangements
- An overarching institutional framework will be underpinned by mechanisms for dialogue and arrangements for setting the direction and implementing the future relationship. Dispute resolution will be based on the dispute resolution mechanism in the Withdrawal Agreement.

5. Part Five deals with the process to be taken forward following the Withdrawal Agreement

- Once the WA is concluded and before the UK leaves the EU, preparatory work will begin for the formal negotiations on the future relationship.
- The priority will be to find alternative, permanent arrangements for ensuring there is no hard border between Northern Ireland and Ireland.
- Negotiations to conclude (ratify) the legal agreement(s) will begin as soon as the UK is a third country (30 March 2019) and both parties have committed to “best endeavours” to ensure the future relationship enters into force by the end of the transition period.
- Before withdrawal between the approval of the PD and the UK’s exit from the EU, both parties will engage in preparatory organisational work in order to enable formal negotiations on the future partnership to commence rapidly.
- After withdrawal A procedure for EU negotiation of agreements with third countries is set out. After formal negotiations are launched the UK and EU will negotiate in parallel agreements on the future relationship.
- Review: The UK and EU will convene a high-level conference every six months after the UK’s departure “to take stock of progress and agree, as far as is possible between them, actions to move forward”.

Proposals for engagement in next phase of negotiations

As set out above, the next phase of negotiations will determine the UK’s future relationship with the EU. It is advisable therefore that Belfast City Council thinks strategically about its future relationship with the EU, and how it might seek to ensure that the city’s priorities, as set out in Belfast Agenda, are protected as part of future negotiations.

It is proposed therefore that:

Early engagement is made, through the Brexit Committee Chair and the Chief Executive with The Executive Office to understand how the new institutional arrangements (i.e. the Joint Committee of the UK and EU) will operate, and in particular how the ‘Joint Consultative Working Group on Northern Ireland’ will operate.

- That the Brexit Committee sets out its priorities for engagement with future institutional structures, and importantly, the issues Belfast City Council would seek to secure in a future relationship agreement between the UK and the EU. The Brexit Committee should set aside time in April and May to consider these priorities.

These might include:

	<ul style="list-style-type: none"> - Making sure there is alignment between Belfast’s economic priorities and future agreements with the European Union, e.g. regional differentiation - Considering ways in which ‘flexible and imaginative solutions’ might be applied to Northern Ireland to meet the priorities which Belfast is seeking to achieve (this language was first used by the European Council in relation to Northern Ireland). - Whether formal structures might be required to ensure effective working relationships with the new institutions and with Councils in Northern Ireland. <p><u>Financial & Resource Implications</u> None.</p> <p><u>Equality or Good Relations Implications/Rural Needs Assessment</u> None.</p>
4.0	Appendices – Documents Attached
	None.