



European Parliament Bât.,
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Brussels

Seanad Special Select Committee on the Withdrawal of the United Kingdom from the European Union

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Opening statement

Chairman, honourable members, thank you for the invitation to address this Committee on the Trade and Cooperation Agreement and the Northern Ireland Protocol.

The Trade and Cooperation Agreement (TCA) was ratified with a huge majority in the European Parliament at the end of April, and has now entered into permanent as opposed to provisional application.

It is particularly timely that the agreement entered into force as the Conference on the Future of Europe gets underway, in what will hopefully prompt a period of reflection and renewal in the EU so that the same mistakes that led to Brexit do not happen again.

Attention on all sides is now firmly on ensuring the full and timely implementation of the TCA and the Withdrawal Agreement/Northern Ireland Protocol. On the EU side, there is a real desire to make these agreements work as seamlessly as possible, so that citizens and businesses do not have to pay the price of Brexit.

As a member of the European Parliament's Trade Committee, I have been following these issues closely and will continue to do so as our new relationship with the UK evolves.

I have been asked to focus my remarks on three areas:

- Ongoing implementation of the Trade and Cooperation Agreement between the EU and the U.K.
- Issues surrounding the Northern Ireland protocol
- EU support to assist Ireland in dealing with the challenges of Brexit

Ongoing implementation of the Trade and Cooperation Agreement between the EU and the U.K.

At this early stage, it is difficult to determine with any precision the full implications of the UK's withdrawal from the EU in trade terms. Initial indications show that trade volumes have declined in both directions, with UK exports to the EU most affected.

While the Trade and Cooperation Agreement ensures tariff and quota free trade between the EU and the UK, the new trading relationship between the EU and the UK presents significant challenges that must be overcome by both sides.

Much of the focus in recent weeks has been around the governance of the agreement, as many of the new structures that monitor implementation of the agreement get up and running.

No less than 19 technical committees will oversee implementation of the TCA, under the leadership of the Joint Partnership Council (JPC). A Trade Partnership Committee will govern the work of ten trade-specialised committees. There are a further eight non-trade specialised committees. Each Member State will have the right to be present at each committee meeting as part of the EU's delegation.

The inaugural meeting of the Joint Partnership Council is due to take place on 9/10 June 2021. The first meetings of the other specialised committees are expected to follow thereafter. According to the timeline set out by the Commission, meetings of the trade specialised committees are unlikely to take place before the summer break.

In my opinion, it is crucial that these joint bodies become operational as soon as possible to avoid technical disputes becoming sources of political tension. It is also important that meetings of the various committees are held as frequently as necessary. Under a normal EU free trade agreement, meetings only take place once or twice a year. Nevertheless, the nature of our relationship with the UK requires more robust mechanisms for scrutiny and dispute resolution.

In the European Parliament, preparatory work is underway to determine how we as parliamentarians will scrutinise the agreement. A dedicated new structure for oversight of the EU-UK agreement will be created to succeed the UK Coordination Group and formerly the Brexit Steering Group. This new body will combine the expertise of all the relevant committees in the Parliament, and will be chaired by the trade and foreign affairs committees, as well as a new delegation for relations with the UK. It is understood that this will be a temporary structure after which period the UK would be treated as a normal third country.

A mechanism for EU-UK parliamentary dialogue is also foreseen in the form of the Joint Parliamentary Partnership Assembly. The TCA describes the function of the Parliamentary Partnership Assembly as 'a forum to exchange views on the partnership', with the right to be informed and to make recommendations to the JPC. The European Parliament wants the scope of this assembly to be as broad as possible (covering the TCA and WA) and to get up and running as soon as possible.

Despite enthusiasm from some in the UK Parliament, the UK Government has been less forthcoming in its support for such a parliamentary structure. Ensuring this parliamentary dimension will be crucial for conferring legitimacy on the agreement.

Issues surrounding the Northern Ireland protocol

Implementation of the Northern Ireland Protocol continues to be an area of significant concern.

One of the biggest challenges is an erosion of trust among the relevant parties. Recent polling conducted by Queen's University Belfast found that just 5% of respondents in Northern Ireland trust the UK Government's handling of the Northern Ireland Protocol. Equally, recent threats from the UK that it may be obliged to trigger force majeure in relation to the Protocol continue to undermine the search for joint solutions.

There are currently two streams of action being undertaken in relation to the Protocol. Firstly, technical negotiations are ongoing between EU and UK negotiators to compile a joint roadmap for full implementation of the Protocol. Approximately 27 issues have been identified as part of ongoing talks, with the most problematic issues understood to be around sanitary and phytosanitary checks (SPS) and medicines.

On SPS checks, divergences remain between the EU's desire for (temporary) dynamic alignment on food safety standards and the UK's preference for regulatory sovereignty. Dynamic alignment would eliminate the need for approximately 80% of checks on goods entering Northern Ireland from Great Britain, but this option is unlikely to be palatable to a Government intent on pursuing a more aggressive trade policy.

An area of further concern relates to the provision of medicines in Northern Ireland, for which there is a grace period in place until the end of the year. Reports about potential medicine shortages and increased prices in Northern Ireland are extremely worrying and politically toxic. Flexibility is needed on all sides to ensure that this issue is resolved as quickly as possible.



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The UK's rhetoric on the Protocol has hardened in recent weeks. While a Joint Committee meeting is due to take place this week to add political momentum to discussions around the Protocol, it is understood that many issues remain unresolved.

The second stream of action relates to ongoing infringement procedures against the UK for the unilateral extension of a number of grace periods in relation to Northern Ireland. While there is widespread acceptance that an extension of the grace periods was necessary, the manner in which this decision was taken by the UK without consultation was not acceptable. The UK's response to the legal action thus far has been disappointing. If the issue is not resolved, the EU's representative on the Joint Committee, Maroš Šefčovič, has indicated that the Commission will have no choice but to refer the matter to the European Court of Justice.

Finally, I would like to touch on the issue of representation for Northern Ireland. I have spent many months trying to make the voice of Northern Ireland heard in Brussels. I recently spoke to a cross border businessman who described feeling 'voiceless' in relation to issues they are experiencing on the ground.

It is crucial that there are appropriate channels for dialogue between Belfast and Brussels as we work through the issues associated with implementation. This need for dialogue was recognised by a recent resolution from the European Parliament, which called for "ongoing and enhanced dialogue between political representatives and civil society, including with Northern Ireland representatives, on all aspects of the Protocol on Ireland/Northern Ireland and the broader Northern Irish peace process".

One avenue for dialogue could be the creation of a dedicated parliamentary structure between the Northern Ireland Assembly and the European Parliament in recognition of the fact that Northern Ireland will continue to observe many EU rules, despite lacking representation in the EU. The need to make the Protocol work for all communities in Northern Ireland is crucial given that the Northern Ireland Assembly will vote on the continuation of the Protocol in under four years' time.

EU support to assist Ireland in dealing with the challenges of Brexit

Finally, in relation to EU support for Ireland, I continue to be struck by the level of solidarity shown to Ireland by colleagues from other Member States. The fact that the agreement was ratified in the European Parliament with such a significant majority (660 votes in favour, five against and 32 abstentions) demonstrates the high level of support for countries such as Ireland which would have been worst affected by non-ratification of the agreement. During the debate that accompanied ratification, MEPs from a range of countries and political groups took the floor to underline the importance of protecting peace on the island of Ireland.



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In addition to political support, Ireland is set to be the largest beneficiary from the EU's Brexit Adjustment Reserve (BAR), the only financial support for the countries and regions most adversely affected by Brexit. The Council agreed its negotiating position under a proposal put forward by the Portuguese Presidency, which was widely supported by Member States including Ireland. The European Parliament's position is closely aligned with this proposal in terms of individual allocations for Member States. Negotiations between the institutions on the BAR will take place on 17 June 2021. The ambition is to reach agreement before the summer, so that funding can be dispersed before the end of the year.

Ireland's final allocation is expected to be in the region of €1.065 billion, or just over 20% of the overall fund. The calculation is based on a country's dependence on the UK for trade, fisheries and the impact on maritime regions. Although this is less than originally anticipated, the fact that Ireland will remain the largest beneficiary is clear recognition of the unique impact of Brexit on Ireland.

In conclusion, the new relationship between the EU and the UK defined in the Withdrawal Agreement and the TCA is still evolving. While there are a number of hurdles to be overcome, the most significant issue remains implementation of the Northern Ireland Protocol. If joint agreement can be found on this delicate issue, I believe this could help to turn a corner in EU-UK relations and set both sides on a more positive course towards future cooperation and collaboration.