



UK IN A CHANGING EUROPE

UK-EU RELATIONS TRACKER

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INTRODUCTION

This is the second edition of the UKICE UK-EU Relations Tracker, covering developments in relations between the UK and EU and between the UK and EU member states from April to June 2023. This edition looks at key developments in the relationship since the formal adoption of the Windsor Framework on 24 March 2023 which had raised hopes for a reset in relations. Whilst some progress has been made within the framework of the Trade and Cooperation Agreement (TCA), other areas remain stalled.

SUMMARY

The UK has continued to engage with the EU through the Withdrawal Agreement (WA) and Trade and Cooperation Agreement's (TCA) formal structures. This quarter has seen concerns raised by both sides about citizens' rights and an inquiry report by the Independent Monitoring Authority for Citizens' Rights Agreements (IMA) about the Home Office's failure to issue Certificates of Application in a timely manner.

In the context of thawing relations after the Windsor Agreement, the UK and EU concluded a Memorandum of Understanding (MoU) on financial services that had been put on ice for two years. Both sides also continued to cooperate in the areas of energy and defence. Despite hopes that the Windsor Framework would unlock a deal on Horizon Europe, the UK and EU have been unable to reach agreement so far. The prospect of trade tariffs for electric vehicles - due to upcoming changes in local content requirements - continues to cause concerns for industry leaders. However, until now, the European Commission has shown no willingness to extend the grace period.

In the bilateral sphere, the UK has continued to formalise its relationships with EU Member States through non-binding instruments. Over the last three months the UK signed Joint Bilateral Declarations, establishing strategic dialogues, with Romania, Croatia, Italy, Luxemburg and Denmark. It remains to be seen whether the dialogues established with various member states over the past two years will fully deliver on the stated ambitions.

UK-EU RELATIONS

INSTITUTIONS AND GOVERNANCE

Withdrawal Agreement (WA)

The **EU-UK Joint Committee** under the Withdrawal Agreement held its eleventh meeting on 3 July - the first one since adopting the new arrangements set out in the Windsor Framework. In the second quarter of this year, the following meetings were held by specialised Committees under the Withdrawal Agreement - the Committee on the implementation of the Windsor Framework (23 June, 27 April), the Committee on the implementation on the Enhanced Coordination Mechanism

on VAT and excise (15 June), the Committee on financial provisions (10 May), and the Committee on Citizens' Rights (25 May 2023).

During the last of these, concerns over citizens' rights were raised by both sides. In a joint statement, the EU raised 'deep concerns' about the UK's plans to recover costs for certain services and benefits from EU citizens. This affects EU citizens who were denied settled or pre-settled status under the EU settlement scheme but whose status had not been updated online. The UK raised the issue of how British citizens in the EU evidence their status, and how this might impact their ability to access services in member states with declaratory systems (those that did not require an application). The joint statement also mentions the lack of guidance on making a late application in some member states. The two sides agreed to meet again in the autumn. A letter from the House of Lords' European Affairs Committee to the Home Secretary refers to a high refusal rate of late applications in Sweden and Denmark.

On 6 June, the **Independent Monitoring Authority** for Citizens' Rights Agreements (IMA), an independent body set up to protect the rights of EU and EEA EFTA citizens under the Withdrawal Agreement and the EEA EFTA Separation Agreement, published the findings of its first inquiry. The report concludes that the Home Office failed to comply with its obligation under the Withdrawal Agreement to issue a Certificate of Application to applicants immediately upon application. The certificates are required to evidence rights, such as the right to work, whilst an application is pending. Delays were identified for paper and digital applications which required intervention by a case worker, mainly due to an insufficient number of case workers being available.

The IMA issued several recommendations including the collection of data to monitor processing times and a service standard of five working days for certificates to be issued. The Home Office has three months to respond to these recommendations.

Trade and Cooperation Agreement (TCA)

The EU-UK Partnership Council, which meets at least annually, met in the first quarter of this year.

Out of the eight **Specialised Committees** established under the TCA to monitor and review its implementation, only the Specialised Committee on Air Transport (1 June) and the Specialised Committee on Law Enforcement and Judicial Cooperation (19 June 2023) met in the second quarter of this year.

The **Parliamentary Partnership Assembly**, made up of 35 members each from the European Parliament and the UK Parliament (21 MPs and 14 Peers), held its third meeting on 3-4 July in Brussels. A range of issues were discussed in the plenary, including: the state of play within the Partnership Council, the future of foreign and security policy, Ukraine; and cooperation on trade and industrial policy. Members also discussed mobility, climate and energy, and civil society cooperation. The fourth meeting of the Partnership Assembly will be held on 4-5 December in London.

Members of the European Parliament (MEPs) who belong to the EU-UK Parliamentary Partnership Assembly have shown a particular interest in the impact of Brexit on youth mobility. The UK no longer accepts ID cards as part of its new border regime, even though many EEA children do not have passports. The UK also left the EU 'list of travellers' scheme, which means children with non-EU passports need to obtain a visa. This has contributed to a significant drop in visiting school groups. Between 2019 and 2022 the number of school children visiting the UK fell by 81 %.

In an exchange of views between MEPs and the Commission on 4 May, the possibility of bilateral deals to ease travel requirements for school groups was discussed. In the UK-France Joint Leaders' Declaration from 10 March 2023, the UK and France committed to facilitating school trips and exchanges. However, no progress has been reported since. Whilst bilateral deals are possible, a joined-up approach, coordinated by the Commission, would ensure equal conditions for all member states. As pointed out in the discussion on 4 May, the Commission's focus is currently on implementing the TCA, rather than opening new areas of discussion with the UK. However, the exchange also suggests the European Parliament will want to keep issues relating to youth mobility high on the agenda, also with a view to reviewing the agreement in 2026.

Meanwhile, there is increased talk among officials and politicians about what the **review** of the TCA might entail. The TCA foresees a review of 'the implementation of this Agreement and supplementing agreements and any matters related thereto' (Article 776, TCA) after five years. The provision leaves the form and depth the review might take open. Consequently, people on either side have expressed different levels of ambition and views on what it might be used for. According to a leading Commission official it is a moment for "viewing the implementation of the TCA. It does not say revising or revisiting or renewing, let alone amending". On the other hand, Labour's Shadow Foreign Secretary, David Lammy, has said it could be an opportunity to go through the deal "page-by-page, seeking ways to remove barriers and improve opportunities for business".

ONGOING TCA IMPLEMENTATION

Financial services

Following the adoption of the Windsor Framework, there was a push to sign the draft memorandum of understanding (MoU) on regulatory cooperation in financial services; an agreement that had been put on ice for the last two years. The text was finally signed in Brussels on 27 June. The MoU establishes a forum to facilitate structured regulatory cooperation, with the first meeting due in the autumn.

Meanwhile, Mairead McGuinness, the financial services commissioner, confirmed the EU does not want to extend the time-limited equivalence decision, allowing UK-based clearing houses to service EU firms, beyond June 2025. She reiterated her intention to develop central clearing activities in the EU, with the aim of reducing overreliance on third countries.

UK participation in EU programmes

The conclusion of the Windsor Framework had been expected to break the deadlock over the UK's participation in several EU Programmes, including the scientific research programme Horizon, the nuclear programme Euratom, and the earth observation programme Copernicus. However, differing expectations over financial contributions to the programmes have resulted in protracted negotiations over the UK's participation. In April, the UK even unveiled its plans for an alternative seven-year research and innovation programme if it is unable 'to secure association (to Horizon) on fair and appropriate terms'. Despite reports on the conclusion of a provisional agreement on Horizon and Copernicus on 5 July, a deal still has not been officially announced.

Rules of origin

There has been increasing concern from carmakers about rules of origin requirements under the TCA, particularly the impending changes for electric vehicles. From 1 January 2024, 45% of the content of electric vehicles and 60% of a battery pack will have to originate from the EU or the UK to qualify for tariff free trade. This threshold will increase even further in 2027. Carmakers in the EU and in the UK have called to delay the imposition of the 45% threshold to give the industry more time to build up its domestic battery-making capacity. So far, the European Commission has been reluctant to consider a deferral of the upcoming changes.

EUROPEAN COOPERATION BEYOND THE TCA

European Political Community (EPC)

On 1 June the European Political Community (EPC), 'a platform for political coordination' among European countries, held its second summit in Moldova. UK Prime Minister Rishi Sunak attended alongside more than forty heads of state or government to discuss joint efforts for peace and security; energy resilience and climate action; and connectivity in Europe. Sunak caused some frustration amongst European commentators with his Twitter post suggesting the summit was about 'putting tackling illegal migration top of the international agenda' as this had not been priority for the summit. The UK is due to host the fourth EPC summit in spring 2024.

Energy cooperation

In December 2022, the UK signed an MoU with the North Seas Energy Cooperation (NSEC) to put in place a framework of cooperation post-Brexit on the development of offshore renewable energy and give effect to a TCA commitment. The NSEC is a regional non-binding cooperation framework made up of Belgium, Denmark, France, Germany, Ireland, Luxembourg, the Netherlands, Norway, Sweden and co-chaired by the EU Commission. This spring the UK participated in a summit in Ostend, Belgium where North Sea countries declared their ambition to turn the North Sea into 'Europe's biggest green power plant'. The Netherlands and the UK also announced plans for a first-of-its-kind electricity link to connect offshore wind between their countries.

Defence cooperation

Defence ministers from ten northern European countries (the UK, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, the Netherlands, Norway, Sweden), held a meeting in Amsterdam on 13 June to discuss the situation in Ukraine. The meeting took place under the auspices of the Joint Expeditionary Force (JEF), a British-led multinational defence framework established at the 2014 NATO summit in Wales. The format has had three leader-level meetings since 2022. The UK's Integrated Review Refresh 2023 places high importance on the JEF which it regards as 'an increasingly important vehicle for security in the High North, North Atlantic and Baltic Sea regions'.

BILATERAL RELATIONS BETWEEN THE UK AND EU MEMBER STATES

The UK has continued to formalise bilateral relations through Joint Declarations, Statements, and MoUs with EU member states. Since the end of March 2023, the UK has signed Joint Bilateral Declarations establishing strategic dialogues with Romania, Croatia, Italy, Luxemburg and Denmark (see table 1). Sunak also signed a declaration of intent with the PM of Sweden, Ulf Kristersson, in June that outlines areas of cooperation and states the intention of signing and establishing a strategic dialogue by the end of the year. Foreign Secretary James Cleverly and his Portuguese counterpart held a strategic dialogue on 15 June 2023 - the two countries had committed to an annual dialogue in the Joint Declaration on Bilateral Cooperation signed in June 2022 by then PM Boris Johnson and the Portuguese Prime Minister António Costa.

These joint statements establishing a 'strategic dialogue' with individual member states are non-binding and vary quite substantially in length. There is also some variation in the scope of areas covered (for more detailed analysis of bilaterals between the UK and EU member states since Brexit, see [here](#)).

Finally, on defence equipment matters, the UK and Swedish defence ministers signed a letter of intent on 29 March 2023 relating to a new contract to deliver 14 Archer self-propelled guns. And on 28 April 2023, the UK and Poland signed a £1.9 billion export agreement 'to roll out a British air defence system across the European nation'.

Table 1: Joint Statements/ Declarations / Memoranda of Understanding signed 2022 - present. The table is indicative and does not include all bilateral agreements signed between the UK and EU member states.

MEMBER STATE(S)	AGREEMENT TYPE	POLICY AREA	DATE SIGNED/ISSUED	TEXT
SLOVENIA	JOINT STATEMENT OF INTENT	BILATERAL COOPERATION	FEBRUARY 2022	Gov UK
BELGIUM	MEMORANDUM OF UNDERSTANDING	ENERGY COOPERATION	FEBRUARY 2022	GOV UK

CROATIA	STRATEGIC PARTNERSHIP COMMITMENT	DEFENCE	FEBRUARY 2022	GOV UK
UK-Visegrád Group (V4)	JOINT STATEMENT	BILATERAL COOPERATION	MARCH 2022	GOV UK
POLAND	PARTNERSHIP	DEFENCE AND MISSILE SYSTEM	APRIL 2022	GOV UK
POLAND	JOINT LEADERS STATEMENT	BILATERAL COOPERATION	APRIL 2022	GOV UK
LITHUANIA	JOINT DECLARATION	BILATERAL COOPERATION	MAY 2022	GOV UK
FINLAND	JOINT DECLARATION	SECURITY	MAY 2022	GOV UK
SWEDEN	DECLARATION OF SOLIDARITY	SECURITY	MAY 2022	GOV UK
SWEDEN	MEMORANDUM OF UNDERSTANDING	LIFE SCIENCES	MAY 2022	GOV UK
ESTONIA	JOINT STATEMENT	SECURITY AND DEFENCE	JUNE 2022	GOV UK
PORTUGAL	JOINT DECLARATION	BILATERAL COOPERATION	JUNE 2022	GOV UK
POLAND	MEMORANDUM OF UNDERSTANDING	AIR DEFENCE COMPLEX WEAPONS	OCTOBER 2022	GOV UK
CYPRUS	MEMORANDUM OF UNDERSTANDING	BILATERAL COOPERATION	NOVEMBER 2022	GOV UK
ESTONIA	JOINT STATEMENT	DEFENCE	NOVEMBER 2022	GOV UK
NETHERLANDS	JOINT STATEMENT	FOREIGN POLICY, DEVELOPMENT AND SECURITY	NOVEMBER 2022	GOV UK
FRANCE	JOINT ARRANGEMENT	TACKLING SMALL BOAT CROSSINGS IN THE CHANNEL	NOVEMBER 2022	GOV UK
ESTONIA	JOINT STATEMENT	TECHNOLOGY PARTNERSHIP	DECEMBER 2022	GOV UK
ITALY	PARTNERSHIP	GLOBAL COMBAT AIR PROGRAMME, IN COLLABORATION WITH JAPAN	DECEMBER 2022	GOV UK
SLOVAKIA	JOINT DECLARATION	SECURITY AND TRADE	FEBRUARY 2023	GOV UK
MALTA	BILATERAL COOPERATION FRAMEWORK	FOREIGN POLICY, SECURITY, RULE OF LAW, TRADE AND INVESTMENT, ENERGY AND CLIMATE, PEOPLE AND CULTURE	FEBRUARY 2023	GOV UK
ITALY	JOINT STATEMENT OF INTENT	BILATERAL DEFENCE COOPERATION	FEBRUARY 2023	GOV UK
ITALY	MEMORANDUM OF UNDERSTANDING	POLICY DIALOGUE FOR EXPORT AND INVESTMENT PROMOTION	FEBRUARY 2023	GOV UK

ESTONIA, POLAND, LATVIA, LITHUANIA, DENMARK, CZECH REPUBLIC, NETHERLANDS, SLOVAKIA	JOINT STATEMENT	UKRAINE	FEBRUARY 2023	GOV UK
FRANCE	JOINT LEADERS' DECLARATION	UKRAINE, EUROPEAN POLITICAL COMMUNITY, DEFENCE AND SECURITY, FIGHT AGAINST ORGANISED CRIME, FOREIGN POLICY AND GLOBAL ISSUES, ENERGY AND DECARBONISATION, ILLEGAL MIGRATION, SOCIAL AND ECONOMIC TIES	MARCH 2023	GOV UK
ROMANIA	JOINT STATEMENT	STRATEGIC PARTNERSHIP	MARCH 2023	GOV UK
CZECH REPUBLIC	JOINT DECLARATION OF INTENT	POLICE COOPERATION	MARCH 2023	GOV UK
CROATIA	JOINT DECLARATION	BILATERAL COOPERATION	APRIL 2023	GOV UK
ITALY	MEMORANDUM OF UNDERSTANDING	BILATERAL COOPERATION	APRIL 2023	GOV UK
LUXEMBOURG	JOINT STATEMENT	BILATERAL COOPERATION	MAY 2023	GOV UK
DENMARK	JOINT STATEMENT	BILATERAL COOPERATION	JUNE 2023	GOV UK
SWEDEN	JOINT LEADERS' STATEMENT	FOREIGN POLICY, DEFENCE AND SECURITY COOPERATION, UKRAINE, DEEPENING AND BROADENING BILATERAL RELATIONS	JUNE 2023	GOV UK

ONGOING BILATERAL COOPERATION AND RELATIONS

On 29 March, the King and the Queen Consort made their first state visit to **Germany**, with King Charles becoming the first British monarch to address the Bundestag. Meanwhile, and as foreseen in the first UK-Germany Strategic Dialogue held in January 2023, the inaugural session of the 'revived' UK-Germany Cultural Commission took place in Berlin on 17 April, having last met in 1993.

King Charles was due to make his first official visit overseas to **France** end of March, but this was cancelled because of disruption and security concerns caused by protests against the French government's pension reforms. In June though, the UK Chief of the Defence Staff, Admiral Sir Tony Radakin, hosted the chef d'État-Major des Armées (CEMA), General Thierry Burkhard, during the Trooping of the Colour in London and Navy Ceremonial Divisions at HMS Collingwood.

Since signing a Joint Declaration in March 2023 and holding the first France-UK summit since 2018, the UK and France have held various meetings at administrative

and official level in a sign of improved relations. However, despite the ambitions outlined in the Joint Declaration in March, implementation is slow in key areas. On 2 June, Robert Jenrick met with French counterparts to ‘discuss deepening cooperation upstream’ on implementing recent agreements between both countries to tackle ‘illegal migration’. Meanwhile, the commitment to ease school trips between the UK and France has yet to be put in place.

Over the past months, the UK and **Italy** have multiplied bilateral meetings and signed a number of joint agreements (see table). In April, Sunak hosted Giorgia Meloni, Prime Minister of Italy, at Downing Street and signed a detailed joint MoU on bilateral cooperation that includes a strong commitment to collaboration on driving down migration to Italy and to the UK, a high political priority for both countries. In June, officials launched a ‘Joint Strategic Security Committee’ which was foreseen in the MoU.

Cooperation on migration is also a priority for the UK’s relations with **Bulgaria**. On 1 June, Number 10 tweeted a picture of Sunak with the Bulgarian President, Rumen Radev, as part of a bilateral meeting during the European Political Community summit in Moldova stating that the UK has a ‘new partnership with Bulgaria, working with them to increase their ability to detect and disrupt criminal gangs involved in illegal migration’. This follows the visit to Bulgaria on 2 May of Home Office Director General, Julian Braithwhite, to discuss cooperation on ‘illegal migration’. Both countries are also engaged in discussions to establish a strategic dialogue.

Meanwhile, the first bilateral meeting between Sunak and Irish Taoiseach Leo Varadkar took place on 19 April in Belfast during the events marking the 25th Anniversary of Good Friday (Belfast) Agreement. They then held a bilateral meeting in the margins of the European Political Community meeting in Moldova on 1 June at which Varadkar ‘asked Sunak to keep the Irish government informed of any new packages of measures for [Northern Ireland] which are designed to reassure the DUP about NI’s place in UK’.

Furthermore, in a context in which the Stormont institutions are still not operating, the British-Irish Intergovernmental Conference took place on 19 June. The conference was established as part of the Good Friday Belfast Agreement and only started meeting again in 2018, having not met since 2007.

Finally, the UK has signed **joint Declarations on major foreign policy issues** with several EU member states, which usually also include the EU institutions and the US. These include sanctions on Iranian regime officials responsible for human rights violations with the EU and the US, a joint-statement with France, Italy and Germany on Kosovo, and a statement on Sudan by special representatives and envoys France, Germany, Norway, US and the EU.

COORDINATION OF BILATERAL RELATIONS BETWEEN EU MEMBER STATES AND THE UK

At the end of April 2023, the ambassadors and High Commissioners to the UK from all 27 EU member states gathered for the first ever EU Heads of Mission Retreat on April 28-29. In an unprecedented move, they published a joint article in *The*

Guardian on 8 May. The article underlined the hope of member states for further strengthening of trust between the UK and the EU. It is also evidence of continuity in coordination and unity between member states of the EU vis a vis the UK.

CONCLUSION

Agreeing the Windsor Framework has resulted in better atmospherics in the second quarter of this year. It has also been a crucial step for rebuilding trust between the two sides. However, given the structural constraints of the TCA, and vested interests on both sides, deeper cooperation has been limited. Subsequent iterations of this tracker will continue to trace developments in UK-EU relations and between the UK and EU member states. Overall, increased trust and better mood appear to be necessary but not sufficient conditions for building on the existing relationship under the TCA.