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Brexit update

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Research Briefing:

1. Introduction

This paper provides an update on the most recent developments on Brexit of relevance to Wales. It includes sections on the work of the Assembly and Welsh Government; EU; UK; and Scotland and Ireland. The period covered is 8 February to 1 March, although reference is made to later events where information is available at time of final drafting.

2. Developments in Wales

National Assembly for Wales

External Affairs and Additional Legislation Committee

The External Affairs and Additional Legislation (EAAL) Committee is the lead Committee in the Assembly for co-ordinating the Brexit-related activities of Committees. The Committee has completed an inquiry into the Potential Implications of Leaving the EU in Wales.

The most recent sessions of the EEAL Committee inquiry were:

- 13 February: The Committee heard from the Rt Hon David Jones MP, Minister of State at the Department for Exiting the EU.
- 27 February: Start of evidence sessions for the <u>Inquiry into regional policy what next</u> for Wales?

Regular updates on the work of the EAAL Committee are posted on the Assembly Blog: https://assemblyblog.wales/tag/european-union/.

The Research Service's own blogs are published on <u>In Brief</u>. The latest Brexit blog is <u>Brexit:</u> <u>Views from Wales and Westminster</u>, which summarises the last two EAAL Committee meetings.

Other

The Climate Change, Environment and Rural Affairs Committee is carrying out an inquiry into Marine Protected Areas in Wales, and an inquiry into the Future of Agricultural and Rural Development Policies in Wales.

The Equality, Local Government and Communities Committee has just closed its consultation on What will human rights in Wales look like after Brexit?

'The implications of Brexit for the medical workforce' is explicitly included in the terms of reference for the Health, Social Care and Sport Committee's current inquiry on <u>medical recruitment</u>. This inquiry will continue gathering oral evidence throughout March.

Plenary debates

7 February: Debate: "Securing Wales' Future": Transition from the European Union to a new relationship with Europe.

Welsh Government

- 6 February: <u>Cabinet Secretary announces support to help Welsh fishermen access millions of pounds of European funding.</u>
- 9 February: <u>Mark Drakeford meets European Investment Bank to discuss infrastructure investment opportunities in Wales</u>.
- 17 February: Ken Skates visits Chongging and Shanghai to cement Welsh links with China.
- 21 February: More than €1m of EU funds will be invested in a new <u>project to support the</u> growth of the shellfish industry in Wales and Ireland.
- 23 February: A graduate programme helping to develop and retain industry professionals and future leaders in Wales' financial services sector is being extended for a further two years following a £1 m EU funding boost.
- 24 February: Out of Work Service funding extended until 2020.
- 28 February: <u>Our special relationship must boost trade and remove barriers</u> First Minister's message ahead of United States visit.

News

- 10 February: NFU Cymru's Brexit Policy Paper
- 21 February: Unique position of Wales must be recognised in future of agri-planning (FUW)
- 21 February: Farmers call for labour certainty to help feed the nation (CLA)
- 22 February: NFU highlights its Brexit priorities for Wales
- 2 March: <u>Eluned Morgan AM (and former MEP) gave the keynote speech on Brexit</u> at Aberystwyth University.

3. EU developments

European Council

20 February: Remarks by President Donald Tusk after his meeting with Vice President of the United States Mike Pence.

8 March: Tripartite Social Summit.

9-10 March: European Council:

The spring European Council will focus on jobs, growth and competitiveness. Leaders will discuss the economic situation in Europe, <u>trade policy</u>, progress made on files related to the <u>single market strategy</u>, as well as the first phase of the <u>2017 European</u> Semester.

On migration leaders will review what has been done to implement decisions taken at the informal summit in Malta on 3 February concerning the Central Mediterranean route.

The heads of state or government will also assess the implementation of its December 2016 conclusions on external security and defence.

The leaders will also discuss the situation in the Western Balkans.

Finally, the European Council is expected to elect its President for the period from 1 June 2017 to 30 November 2019.

On Friday 10 March there will be an informal meeting of the 27 heads of state or government of the EU to prepare for the 60th anniversary of the Rome Treaties.

European Commission

10 February: Speech by Vice-President Dombrovskis in London, at Bloomberg: <u>Upholding a strong international financial system.</u>

- 13 February: <u>Winter 2017 Economic Forecast</u>: Navigating through choppy waters All EU Member States' economies set to grow in 2016, 2017 and 2018.
- 15 February: Commission warns Germany, France, Spain, Italy and the United Kingdom of continued air pollution breaches.
- 20 February: <u>Energy consumption in 2015-Energy consumption in the EU below its 1990 level</u>...but EU dependency on fossil fuel imports on the rise.
- 22 February: <u>European Semester Winter Package</u>: review of Member States' progress towards economic and social priorities.
- 27 February: How competitive is your region? Commission publishes the <u>2016 Regional</u> Competitiveness Index.

1 March: Commission President Juncker presented his White Paper on the post-Brexit EU.

European Parliament

15 February: CETA: MEPs back EU-Canada trade agreement.

European News

14 February: Sovereign secures £150 million European investment for new homes.

22 February: £184 million EIB backing for Northern Powerhouse Investment Fund.

<u>Theresa May's Brexit trade bluff</u> - says that "Britain will, ironically, be highly dependent on the EU's goodwill if it wants to pursue its own trade agenda." (Politico, 27 February)

4. UK developments

UK Government

7 February: UK ministers held the first meeting of a new forum dedicated to discussing the <u>implications of Brexit for the Overseas Territories</u>.

9 February: Prime Minister's press conference with Italian Prime Minister Gentiloni.

13 February: <u>DExEU Minister visits Welsh companies to discuss Brexit.</u>

14 February: Walker: Scottish views will play key part in forming EU exit plans.

17 February: We have voted to leave the EU, but not Europe – article by Theresa May in Le Figaro. The Prime Minister met the Prime Minister of France Bernard Cazeneuve.

21 February: <u>David Davis visits Baltic leaders to discuss future relations</u>. Three articles by David Davis in newspapers: <u>Estonia and the UK will remain close partners after Brexit</u> - Postimees; <u>Building a strong new partnership with Lithuania</u> -Delfi; <u>The UK post-Brexit: a stronger and even closer ally to Latvia</u> - Latvijas Avīze.

22 February: <u>Brexit Secretary</u>: <u>It will take years for Brits to fill low-skilled EU migrant jobs</u>. (Sky News)

23 February: <u>Theresa May spoke to Australian Prime Minister Malcolm Turnbull</u> about stability in the Middle East, Brexit and a free trade agreement.

Finance Ministers Quadrilateral - 14 February, Edinburgh

<u>Clarity on Brexit – Finance Ministers voice disappointment following quadrilateral meeting</u>. The UK Government has failed to provide devolved administrations with necessary information or clarity on how exiting the EU will impact their economies and budgets, the finance ministers of Scotland, Wales and Northern Ireland have said. (Welsh Government)

<u>Finance Ministers voice disappointment following quadrilateral meeting.</u> (Scottish Government)

EC-UK forum - 6 March

David Rees AM will attend from the National Assembly for Wales.

House of Commons

- 6 February: First day of the <u>Committee stage of the European Union (Notification of Withdrawal) Bill</u>. The <u>committee stage continued on 7 February</u>. The committee stage concluded and the <u>Third Reading was passed</u> on 8 February.
- 8 February: The House voted to agree the <u>Comprehensive Economic Trade Agreement (CETA)</u> between the EU and Canada.
- 9 February: Questions on <u>Leaving the EU: Creative Industries</u>; <u>Comprehensive Economic and Trade Agreement (CETA)</u>; <u>post-Brexit trade with New Zealand</u>.
- 24 January: Westminster Hall debate: Leaving the EU: Animal Welfare Standards in Farming.
- 7 February: The Economic Affairs Committee hears evidence from leading economists for its new inquiry into the <u>impact of Brexit on the UK labour market</u>.
- 8 February: Environment, Food and Rural Affairs Committee held the first evidence session of its <u>feeding the nation</u>: <u>labour constraints inquiry</u>.
- 8 February: The Northern Ireland Affairs Committee took evidence from Ireland's Ambassador for their inquiry <u>Future of the land border with the Republic of Ireland</u>. On 22 February <u>representatives from Northern Ireland's manufacturing industry</u> were questioned.
- 8 & 9 February: The Exiting the European Union Committee took evidence from <u>Scottish</u> (including Michael Russell MSP) and <u>Cornish</u> witnesses for the inquiry UK's negotiating objectives for withdrawal from EU.
- 10 February: Public Accounts Committee: <u>Common Agricultural Policy Delivery Programme: Progress Review</u> report published, awaiting government response.
- 14 February: <u>Look carefully at future EU digital laws post-Brexit</u> European Scrutiny Committee.
- 20: February: The Welsh Affairs Committee begin their inquiry into the implications for Wales of the EU referendum result with evidence about the Brexit process and repatriation of powers from the EU to the UK. From 27–28 February the committee was in Brussels to meet MEPs and the Welsh Government Office in Brussels. The Committee hopes to explore the impact of leaving the EU on areas benefitting from grants such as Structural Funding and CAP. Members will also meet delegations from the Flemish Parliament and the Wallonian Region to discuss the Belgian devolution structure, with a particular focus on intergovernmental relations and fiscal devolution.

- 21 February: Evidence session for the <u>Future of Chemicals Regulation after the EU Referendum</u> inquiry Environmental Audit Committee.
- 21 February: The Health Committee heard from health experts on how Brexit is likely to affect people seeking healthcare and the recruitment of health and social care staff.
- 21 February: The Exiting the European Union Committee heard about <u>trade policy as part of the negotiating objectives</u> for withdrawal from the EU.
- 22 February: The Justice Committee questioned the Minister of State for Courts and Justice on the engagement between the UK and the Crown Dependencies on Brexit.
- 22 February: The Exiting the European Union Committee heard from Sir Ivan Rogers, former United Kingdom Permanent Representative to the European Union on the <u>UK's negotiating</u> objectives for its withdrawal from the EU.
- 23 February: The Economic Affairs Committee hears evidence from policy experts, including Migration Watch and the Resolution Foundation, for its inquiry into the <u>impact of Brexit on the UK labour market</u>.
- 28 February: Exiting the European Union Committee: evidence session <u>EU policing and information sharing.</u>
- 28 February: International Trade Committee: <u>Evidence session with Nissan</u>, as part of the inquiry into UK trade options beyond 2019.
- 28 February: Women and Equalities Committee published its report <u>Ensuring strong</u> equalities legislation after the EU exit.
- 28 February: <u>EU Commissioner for Security Union</u> (Sir Julian King) questioned by Home Affairs Committee.
- 28 February: European Scrutiny Committee <u>Implications of new Denmark-Europol</u> <u>arrangements for post-Brexit UK questioned</u>.
- 28 February: The Business, Energy and Industrial Strategy Committee held an evidence session on <u>Leaving the EU: energy and climate negotiation priorities</u>.
- 28 February: The Health Committee held an evidence session on the <u>impact of Brexit on the health and social care workforce and on provision of health services</u> for British expatriates and EU nationals in the UK.
- 28 February: The Culture, Media and Sport committee took evidence on <u>The impact of Brexit</u> on the creative industries, tourism and the digital single market.
- 1 March: The Procedure Committee heard evidence from Academic lawyers on <u>delegated</u> powers and the 'Great Repeal Bill'.

- 7 March: The Exiting the European Union Committee will hear from Mark Drakeford AM, Cabinet Secretary for Finance and Local Government.
- 8 March: The European Scrutiny Committee will hold an evidence session with George Eustice MP, Minister of State for Agriculture, Fisheries and Food.
- 8 March: The Work and Pensions Committee will hold an evidence session on <u>Brexit and labour market policy</u>.

House of Lords

The House of Lords European Union Committee and its six Sub-Committees is undertaking a "<u>co-ordinated series of inquiries</u> into the key issues that will arise in the forthcoming negotiations on Brexit".

- 8 February: First reading of the European Union (Notification of Withdrawal) Bill.
- 9 February: A question on <u>Brexit: Consumer Rights Policy</u>; and a debate on the <u>European</u> Union Committee Report <u>Brexit: Financial Services</u>.

European Union (Notification of Withdrawal) Bill: <u>Second Reading on 20 February</u>, in the <u>morning</u> and <u>afternoon and evening</u> of 21 February, after which the Bill was committed to a committee of the whole house. <u>27 February</u>: 1st day of Committee Stage. The 2nd Committee Stage day was 1 March. The Report Stage and Third Reading is expected on 7 March.

- 2 March: Debate on the report from the EU Committee Brexit: the options for trade.
- 8 February: The fourth meeting of the <u>Informal Brexit Liaison Group</u>, set up by the House of Lords Liaison Committee, was held.
- 8 February: The Constitution Committee took evidence from the <u>Shadow Leader of the House of Lords</u>, and the <u>Leader of the Liberal Democrats in the House of Lords</u>. The Committee examined how Parliament delegates powers to the Government and considered the use of these powers in the context of the Great Repeal Bill.
- 8 February: The EU External Affairs Sub-Committee held an evidence session with ministers Lord Bridges of Headley MBE and Lord Price CVO as part of its inquiry <u>Brexit</u>: <u>future trade in goods between the UK and the EU</u>.
- 8 February: The EU Energy and Environment Sub-Committee questioned farmers and food processing organisations on the implications of Brexit for agriculture.
- 14 February: The EU Energy and Environment Sub-Committee published its report which highlights key actions that will be needed to ensure environmental protections are not eroded as a result of Brexit.
- 21 February: The EU Select Committee heard evidence from academics for the inquiry Brexit: devolution.

- 22 February: The EU Energy and Environment Sub-Committee questioned experts on conservation and the rural economy about the <u>implications of Brexit for public goods and agriculture</u>.
- 23 February: Economic Affairs Committee: <u>Migration Watch gave evidence on immigration</u> and jobs after Brexit.
- 28 February: Economic Affairs Committee: Evidence Session on Brexit and the Labour Market.
- 1 March: The EU Energy and Environment Sub-Committee questions the UK's Chief Veterinary Officer about the implications of Brexit for animal health and animal welfare.
- 1 March: The EU Home Affairs Sub-Committee took evidence from lawyers and academics on the <u>EU data protection Directive and Regulation</u>, the EU-US Privacy Shield and the EU-US Umbrella Agreement.

5. Scotland

Scottish Parliament

- 7 February: A debate on Withdrawal from the European Union (Article 50).
- 9 February: The Culture, Tourism, Europe and External Relations Committee considered Brexit with academics, including trade deals, agriculture and fisheries funding and powers, and the Barnett formula.
- 28 February: <u>Debate on the Economic Impact of Leaving the European Union</u>, the report of the Economy, Jobs and Fair Work Committee.

Scottish Government

- 7 February: <u>Scottish Parliament opposes beginning of process to withdraw from EU; First Minister updates farmers on approach to Europe.</u>
- 8 February: Scotland's views must feature in Article 50 letter.
- 12 February: Call for united [devolved administration] position on Brexit rural issues.
- 19 February: <u>Scottish rural funding confirmed</u>, <u>but</u> €4.6 <u>billion support under threat by a</u> 'hard Brexit'.
- 23 February: <u>"Urgent answers needed" on powers, farming, fisheries and environment; UK Government urged to protect status of EU staff in Scottish universities; Uncertainty for third sector in light of Brexit.</u>

6. Northern Ireland

Northern Ireland Assembly

The election to the Assembly was held on 2 March.

7. UK Ireland relations

16 February: Second Plenary of the All Island Civic Dialogue on Brexit

No special deal possible to stop the return of Border controls (Irish Times, 20 February)

16 February Dáil debate: Brexit and Special Designation for the North.

22 February: Taoiseach met President Juncker in Brussels for Brexit talks.

8. Other reports published

- Business Brexit Priorities (British Chambers of Commerce)
- Latest thinking on Brexit [What Think Tanks are thinking]